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May 31, 1996

RECORDATION 20115
FILED 1425

MAY 31 1996 9 10 AM

MAY 31 9 05 AM '96

RECEIVED
SURFACE TRANSPORTATION
BOARD

Via Hand Delivery

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Secretary Williams:

Enclosed for recordation, under the provisions of 49 U.S.C. §11301(a) and the regulations promulgated thereunder are executed counterparts of a primary document, not previously recorded, entitled Lease Intended As Security ("Lease"), dated as of May 31, 1996, among: Cargill, Incorporated, as Obligor, a Delaware corporation, ("Obligor/Lessee"), Norwest Bank Minnesota, National Association, a national banking association, not in its individual capacity (except as specifically set forth in the Lease) but solely in its capacity as Agent thereunder ("Agent/Lessor"), and the persons listed in Schedule I to the Lease, as Obligees ("Obligees").

The names and addresses of the parties to the enclosed document are as follows:

OBLIGOR/LESSEE: Cargill, Incorporated
15407 McGinty Road
Wayzata, Minnesota 95391

AGENT/LESSOR: Norwest Bank Minnesota,
National Association
Norwest Center
Sixth and Marquette
Minneapolis, Minnesota 55479-0069

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OBLIGEES: American General Life and Accident
Insurance Company
c/o American General Corporation
Attn: Investment Research Dept., A37-01
P.O. Box 3247
Houston, TX 77253-3247

American General Life Insurance
Company of New York
c/o American General Corporation
Attn: Investment Research Dept., A37-01
P.O. Box 3247
Houston, TX 77253-3247

Aid Association for Lutherans
Attn: Investment Department
4321 North Ballard Road
Appleton, WI 54919

Knights of Columbus
Attn: Investment Department
1 Columbus Plaza
New Haven, Connecticut 06510-3326

The Northwestern Mutual Life
Insurance Company
Attn: Securities Department
720 East Wisconsin Avenue
Milwaukee, WI 53202

United of Omaha Life Insurance Company
Attn: Investment Division
Mutual of Omaha Plaza
Omaha, NE 68175

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The Mutual Life Insurance Company
of New York
Attn: MONY Capital Management Unit
1740 Broadway
New York, New York 10019

MONY Life Insurance Company of America
c/o The Mutual Life Insurance Company
of New York
Attn: MONY Capital Management Unit
1740 Broadway
New York, New York 10019

The Catholic Aid Association
c/o MIMLIC Asset Management Company
Attn: Client Administrator
400 Robert Street North
St. Paul, MN 55101

Guarantee Reserve Life Insurance Company
c/o MIMLIC Asset Management Company
Attn: Client Administrator
400 Robert Street North
St. Paul, MN 55101

Protected Home Mutual Life Insurance Company
c/o MIMLIC Asset Management Company
Attn: Client Administrator
400 Robert Street North
St. Paul, MN 55101

Lutheran Brotherhood
625 Fourth Avenue South
Minneapolis, MN 55415

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Please note that, as listed above, there are multiple parties that should be indexed individually and separately, as follows:

1. In the "Vendor/Lessor" Index Book (yellow pages) lists: Norwest Bank Minnesota, National Association, as Agent/Lessor;

2 In the "Vendees/Lessee" Index Book (white pages) lists: Cargill, Incorporated, as Obligor/Lessee;

3. In the "Vendee/Lessee" Index Book (white pages) lists the following, all as Obligees:

American General Life and Accident Insurance Company
American General Life Insurance Company of New York
Aid Association for Lutherans
Knights of Columbus
The Northwestern Mutual Life Insurance Company
United of Omaha Life Insurance Company
The Mutual Life Insurance Company of New York
MONY Life Insurance Company of America
The Catholic Aid Association
Guarantee Reserve Life Insurance Company
Protected Home Mutual Life Insurance Company
Lutheran Brotherhood

The units of equipment covered by the Lease are the corn syrup tank cars, vegetable oil tank cars, gondola cars, flour differential pressure cars, covered hopper cars, and the tallow tank cars, as identified in Schedule II to the Lease (copy attached hereto).

A short summary of the document to appear in the Index is as follows:

"Lease Intended As Security covering corn syrup tank cars, vegetable oil tank cars, gondola cars, flour differential pressure cars, covered hopper cars, and tallow tank cars."

Enclosed is a check in the amount of two hundred seventy-three dollars (\$273.00) in payment of the filing fee.

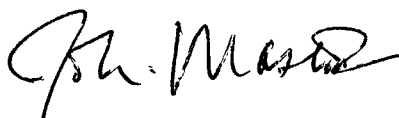
Honorable Vernon A. Williams

May 31, 1996

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Once the filing has been made, please return to bearer the stamped counterparts of the Lease not needed for your files, together with the fee receipt, the letter from the Secretary acknowledging the filing, and the extra copies of this letter of transmittal.

Very truly yours,

A handwritten signature in black ink, appearing to read "John K. Maser III". The signature is fluid and cursive, with the first name "John" and last name "Maser" being the most prominent parts.

John K. Maser III

*Attorney for the Purpose of this Filing for
Cargill, Incorporated*

Enclosures
1200-140

SCHEDULE II TO LEASE INTENDED AS SECURITY
DATED AS OF MAY 31, 1996
(CARGILL, INCORPORATED)

Description of Units.

1. New Vegetable Oil Cars.

(a) Specialty rail nominal capacity 25,500 gallon vegetable oil tank cars manufactured by Trinity Industries, Inc., 7/16" carbon steel construction, insulated exterior heating coils, as follows:

CRGX 7890 - 8089 (inclusive)
CRGX 8090 - 8239 (inclusive)
CRGX 8240 - 8309 (inclusive)
CRGX 8310 - 8314 (inclusive)
CRGX 8315 - 8339 (inclusive)
CRGX 8340 - 8409 (inclusive)
CRGX 8540 - 8569 (inclusive)

(b) Specialty rail nominal capacity 29,000 gallon vegetable oil tank cars manufactured by Trinity Industries, Inc., 7/16" carbon steel construction, insulated exterior heating coils, as follows:

CRGX 29001 - 29130 (inclusive)

2. Soybean Meal Cars. General service nominal capacity 5,500 cubic feet covered hopper cars with quadruple compartment (hopper) construction manufactured by Trinity Industries, Inc., as follows:

SAMX 11236 - 11277 (inclusive)
SAMX 11279 - 11405 (inclusive)

3. Corn Syrup Cars.

(a) General service corn syrup, 17,500 gallon tank cars, manufactured by Trinity Industries, Inc., 7/16" carbon steel construction, food grade linings, insulated exterior heating coils, as follows:

CRGX 6552 - 6580 (inclusive)
CRGX 6582 - 6751 (inclusive)

SURFACE TRANSPORTATION BOARD
WASHINGTON, D.C. 20425-0001

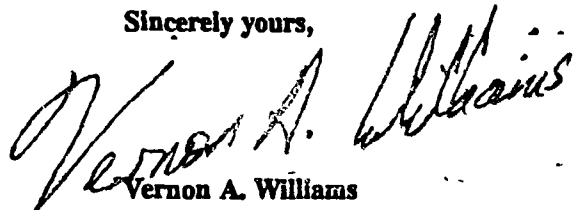
5/31/96

John K. Maser III
Donelan, Cleary, Wood & Maser, P.C.
1100 New York Avenue, NW, Ste. 750
Washington, DC., 20005-3934

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 5/31/96 at 9:10AM , and assigned recordation number(s). 20115 and 12 related cross indexes.

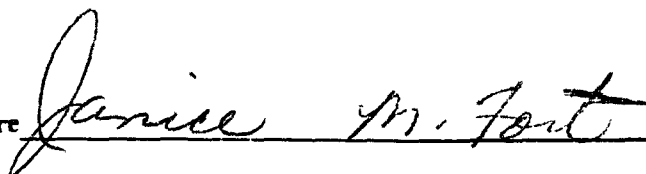
Sincerely yours,


Vernon A. Williams
Secretary

Enclosure(s)

\$273.00 - The amount indicated at the left has been received in payment of a fee in connection with a document filed on the date shown. This receipt is issued for the amount paid and in no way indicates acknowledgment that the fee paid is correct. This is accepted subject to review of the document which has been assigned the transaction number corresponding to the one typed on this receipt. In the event of an error or any questions concerning this fee, you will receive a notification after the Commission has had an opportunity to examine your document.

Signature



RECORDATION NO. 20115 FILED 1425
MAY 31 1996 - 9 10 AM
INTERSTATE COMMERCE COMMISSION

COUNTERPART NO. 3 OF 15 SERIALY NUMBERED MANUALLY EXECUTED COUNTERPARTS. TO THE EXTENT THAT THIS DOCUMENT CONSTITUTES CHATTEL PAPER UNDER THE UNIFORM COMMERCIAL CODE, NO SECURITY INTEREST IN THIS DOCUMENT MAY BE CREATED THROUGH THE TRANSFER AND POSSESSION OF ANY COUNTERPART OTHER THAN COUNTERPART NO. 1.

LEASE INTENDED AS SECURITY

Dated as of May 31, 1996

among

CARGILL, INCORPORATED

as Obligor

NORWEST BANK MINNESOTA, NATIONAL ASSOCIATION

as Agent

and

THE PERSONS LISTED ON SCHEDULE I HERETO

as Obligees

LEASE INTENDED AS SECURITY

This LEASE INTENDED AS SECURITY (as amended and supplemented from time to time, including each LIS Supplement entered into pursuant hereto, this "LIS") is entered into as of May 31, 1996 among: CARGILL, INCORPORATED, a Delaware corporation ("Obligor"), with its principal office at 15407 McGinty Road, Wayzata, Minnesota 55391; NORWEST BANK MINNESOTA, NATIONAL ASSOCIATION, a national banking association ("Agent"), not in its individual capacity (except as specifically set forth herein) but solely in its capacity as Agent hereunder; and the Persons listed in Schedule I hereto as obligees (each such Person being referred to herein (together with their respective permitted successors, assigns and transferees) individually as an "Obligee" and collectively as the "Obligees"; provided that no such reference shall be deemed to refer to any Person who is not a holder of a Certificate at the date of determination, other than for purposes of Article VII hereof).

W I T N E S S E T H:

WHEREAS, on the Delivery Date, subject to and in accordance with the terms of this LIS, Agent (on behalf of the Obligees) will purchase from Obligor, and Obligor will transfer or caused to be transferred to Agent, for the benefit of the Obligees, the items of personal property described on Schedule II hereto (each such item, together with any replacement Units that may be hereafter substituted for any thereof and subject to this LIS from time to time, being referred to collectively as the "Units" and individually as a "Unit"), and each Obligee will receive a Certificate representing its interest in this LIS and the Units;

AND WHEREAS, upon the transfer of the Units on the Delivery Date, Agent will lease such Units to Obligor and Obligor will lease such Units from Agent, pursuant to the terms of this LIS, and one or more LIS Supplements, each such LIS Supplement being substantially in the form of Exhibit B hereto, upon the terms and conditions hereinafter set forth;

AND WHEREAS, each Obligee shall hold an undivided interest in each Unit equal to such Obligee's Participation Percentage, which interest shall be represented by a Certificate registered in such Obligee's name;

NOW THEREFORE, in consideration of the mutual terms and conditions herein contained, the parties hereto agree as follows:

ARTICLE I DEFINITIONS

In this LIS and each other Operative Document, unless the context otherwise requires:

(a) any term defined below by reference to another instrument or document shall continue to have the meaning ascribed thereto whether or not such other instrument or document remains in effect;

(b) words importing the singular include the plural and vice versa;

(c) words importing a gender include any gender;

(d) a reference to a part, clause, section, article, exhibit or schedule is a reference to a part, clause, section and article of, and exhibit and schedule to, such Operative Document;

(e) a reference to any statute, regulation, proclamation, ordinance or law includes all statutes, regulations, proclamations, ordinances or laws amending, supplementing, supplanting, varying, consolidating or replacing them, and a reference to a statute includes all regulations, proclamations and ordinances issued or otherwise applicable under that statute;

(f) a reference to a document includes any amendment or supplement to, or replacement or novation of, that document;

(g) a reference to a party to a document includes that party's successors and permitted assigns; and

(h) a reference to "including" means including without limiting the generality of any description preceding such term and for purposes hereof the rule of ejusdem generis shall not be applicable to limit a general statement followed by or referable to an enumeration of specific matters to matters similar to those specifically mentioned.

Further, each of the parties to the Operative Documents and their counsel have reviewed and revised the Operative Documents, or requested revisions thereto, and the usual rule of construction that any ambiguities are to be resolved against the drafting party shall be inapplicable in construing and interpreting the Operative Documents.

"A.A.R." shall have the meaning provided in Section 3.2.

"Administrative Charge" shall mean at any time with respect to any Supplement Balance of any LIS Supplement being prepaid in whole or in part pursuant to Section 11.1, 11.5, 11.6 or otherwise,

being declared or becoming due and payable pursuant to Section 8.2 or being refunded pursuant to Section 2.4, the amount (but not less than zero) obtained by subtracting (X) the aggregate amount of Supplement Balance prepaid or paid or being declared or becoming due and payable on such date (as the case may be) together with the unpaid accrued interest component of Basic Payments to the date of such prepayment or payment (other than Basic Payments that would have been due and payable on or prior to the date of such prepayment or payment in the absence of such prepayment or payment), from (Y) the sum of the Present Values of the remaining scheduled Basic Payments under the LIS Supplement for which all or a portion of the Supplement Balance is being so prepaid or paid or being declared or becoming due and payable (assuming there was no prepayment and Obligor exercised all Renewal Terms with respect to the Units subject to such LIS Supplement, the exercise of the Purchase Option at the end of the LIS Term with respect to the Units subject to such LIS Supplement and the payment of all Basic Payments when due as scheduled on Schedule II to such LIS Supplement). "Present Value", for any amount, shall be computed on a semiannual basis at a discount rate equal to the sum of .50% plus the Treasury Yield. The "Treasury Yield" shall be the yield to maturity implied (i) by reference to the yields reported, as of 10:00 a.m. (New York City time) on the second Business Day preceding the Settlement Date with respect to the Supplement Balance being prepaid, on the display designated on page "USD" of the Bloomberg Financial Markets Services Screen (or such other display as may replace page "USD" of the Bloomberg Financial Markets Services Screen) for actively traded United States Treasury securities adjusted to a constant maturity equal to the then remaining weighted average life to maturity, rounded to the nearest month, of the remaining scheduled Basic Payments under the LIS Supplement for which all or portion of the Supplement Balance is being prepaid, or (ii) if such yields are not reported as of such time or the yields reported as of such time are not ascertainable, by reference to the Treasury Constant Maturity Series reported in the most recent Federal Reserve Statistical Release H.15 (519) or any comparable successor publication which has become available not more than two days prior to the Settlement Date (or, if such Statistical Release is no longer published, any publicly available source of similar market data acceptable to the Required Obligees), and shall be the most recent yield on actively traded United States Treasury securities adjusted to a constant maturity equal to the then remaining weighted average life to maturity, rounded to the nearest month, of the remaining scheduled Basic Payments under the LIS Supplement for which all or portion of the Supplement Balance is being prepaid. Such implied yield in (i) or (ii) above will be determined, if necessary, by (a) converting United States Treasury bill quotations to bond-equivalent yields in accordance with accepted financial practice and (b) interpolating linearly (calculated to the nearest one-one hundredth percent) between (1) the actively traded United States Treasury security with the

duration closest to and greater than such rounded weighted average life to maturity for such obligation and (2) the actively traded United States Treasury security with the duration closest to and less than such rounded weighted average life to maturity for such obligation. The "Settlement Date" shall be the date of prepayment or payment or the date as of which such amount becomes or is declared due and payable, as the case may be.

"Affiliate" of any Person shall mean any other Person directly or indirectly controlling, controlled by or under common control with, such Person. For purposes of this definition, the term "control" (including the correlative meanings of the terms "controlling," "controlled by" and "under common control with"), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of such Person, whether through the ownership of voting securities or by contract or otherwise, provided (but without limiting the foregoing) that no pledge of voting securities of any Person without the current right to exercise voting rights with respect thereto shall by itself be deemed to constitute control over such Person.

"Agent" shall have the meaning provided in the introductory paragraph of this LIS.

"Applicable Administrative Charge" shall mean, as of any date of determination in respect of any event, any Administrative Charge determined to be due and owing in respect of such event.

"Applicable Laws and Regulations" shall mean all applicable laws, rules, regulations (including Environmental Laws), statutes, treaties, codes, ordinances, permits, certificates, orders and licenses of and interpretations by, any Authority, and applicable judgments, decrees, injunctions, writs, orders or like action of any court, arbitrator or other administrative, judicial or quasi-judicial tribunal or agency of competent jurisdiction (including those pertaining to health, safety or the environment) to which Obligor or any Unit is subject, including without limitation the Interchange Rules and all rules of the United States Department of Transportation, STB, Federal Railroad Administration, the A.A.R. or any other Authority exercising power or jurisdiction over the Units.

"Applicable Percentage" shall mean with respect to any Unit, as of the end of the Base Term and each Renewal Term, the percentage set forth opposite each such date on Schedule II to the LIS Supplement relating to such Unit.

"Applicable Percentage Amount" shall mean, as of any date of determination, the sum of the products obtained by multiplying the original Purchase Price of each Unit for which the Applicable

Percentage Amount is being determined by the Applicable Percentage for such Unit for the period in which such date occurs.

"Appraisal" shall mean each appraisal of the Units from an Appraiser received pursuant to the terms of this LIS.

"Appraised Value" shall mean, with respect to any Unit as of any date of determination, the Fair Market Value of such Unit as set forth in the Appraisal therefor.

"Appraiser" shall mean D.W. Beary Associates, or such other independent qualified Person as may be selected by the Required Obligees.

"Authority" shall mean any applicable foreign, federal, state, county, municipal or other government or governmental, quasi-governmental or regulatory authority, agency, board, body, commission, instrumentality, court or tribunal, or any political subdivision of any thereof, or arbitrator or panel of arbitrators.

"Bankruptcy Code" shall mean the Bankruptcy Reform Act of 1978.

"Base Term" shall have the meaning provided in Section 4.1.

"Basic Payments" shall have the meaning provided in Section 4.3.

"Bill(s) of Sale" shall have the meaning provided in Section 3.4.

"Board of Directors" shall mean, with respect to a corporation, either the board of directors or any duly authorized committee of that board of directors which, pursuant to the by-laws of such corporation, has the same authority as that board of directors as to the matter at issue.

"Business Day" shall mean any day on which Federal and state chartered banks in the State of Illinois are open for commercial banking business.

"Casualty" shall have the meaning provided in Section 6.1.

"Casualty Amount" shall mean, with respect to any Unit as of any date specified for payment thereof, a portion of the Supplement Balance for the LIS Supplement to which such Unit is subject equal to (i) the product obtained by multiplying the entire outstanding Supplement Balance for such LIS Supplement by the Unit Value Fraction of such Unit, plus (ii) all Basic Payments accrued and unpaid on such portion of such Supplement Balance to the date of payment.

"Casualty Recoveries" shall have the meaning provided in Section 6.1.

"Certificate" shall have the meaning provided in Section 14.1.

"Claims" shall mean liabilities, obligations, damages, losses, demands, penalties, fines, claims, actions, suits, judgments, settlements, utility charges, costs, fees, expenses and disbursements (including, without limitation, legal fees and expenses and costs of investigation which, in the case of counsel or investigators retained by an Indemnatee, shall be reasonable) of any kind and nature whatsoever.

"Code" shall mean the Internal Revenue Code of 1986.

"Collateral" shall mean each of the following:

(a) the Units (including all Parts thereof, accessions thereto and replacements and substitutions therefor);

(b) the Subleases;

(c) all contracts necessary to operate and maintain the Units;

(d) any rights to a rebate, offset or other assignment, warranty or service under a purchase order, invoice or purchase agreement with any manufacturer of any Unit;

(e) the funds held in the Escrow Account;

(f) all books, manuals, logs, records, writings, data bases, information and other property relating to, used or useful in connection with, evidencing, embodying, incorporating or referring to, any of the foregoing; and

(g) all products, accessions, rents, issues, profits, returns, income and proceeds of and from any and all of the foregoing Collateral (including proceeds which constitute property of the types described in clauses (a), (b), (c), (d), (e) and (f) above and, to the extent not otherwise included, all payments under insurance (whether or not Obligee is the loss payee thereof), or any indemnity, warranty or guaranty, payable by reason of loss or damage to or otherwise with respect to any of the foregoing Collateral).

"Commitment" shall mean, as to any Obligee, such Obligee's obligation to make amounts available for the purchase of interests in the Units, in an aggregate amount not to exceed at any one time outstanding the amount set forth opposite such Obligee's name on Schedule I.

"Competitor" shall mean a Person (excluding (i) financial service organizations and (ii) Qualified Institutional Buyers that are financial institutions) that, directly or indirectly through any Affiliates, engages in industrial or agricultural businesses similar to those engaged in by Obligor and its Affiliates, as reasonably determined by Obligor.

"Corn Syrup Car" shall mean the corn syrup railcars described on Schedule I to the Group B Supplement.

"Delivery Date" shall mean the actual date on or prior to May 31, 1996 on which the transactions contemplated in Article II are completed.

"Delivery Date Notice" shall have the meaning set forth in Section 3.1.

"Employee Benefit Plan" shall mean an employee benefit plan (within the meaning of Section 3(3) of ERISA, including any multiemployer plan (within the meaning of Section 3(37) (A) of ERISA)), or any "plan" as defined in Section 4975(e) (1) of the Code and as interpreted by the Internal Revenue Service and the Department of Labor in rules, regulations, releases or bulletins in effect at the time of any determination under the Operative Documents. The assets of an Employee Benefit Plan shall be determined using the foregoing criteria, including on the date hereof the Department of Labor plan asset regulation (29 C.F.R. § 2510.3-101).

"Environmental Laws" shall mean and include the Resource Conservation and Recovery Act of 1976, (RCRA) 42 U.S.C. §§ 6901-6987, as amended by the Hazardous and Solid Waste Amendments of 1984, the Comprehensive Environmental Response, Compensation and Liability Act, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. §§ 9601-9657, (CERCLA), the Hazardous Materials Transportation Act of 1975, 49 U.S.C. §§ 1801-1812, the Toxic Substances Control Act, 15 U.S.C. §§ 2601-2671, the Clean Air Act, 42 U.S.C. §§ 7401 et seq., the Federal Insecticide, Fungicide and Rodenticide Act, 7 U.S.C. §§ 136 et seq. and all similar federal, state and local environmental laws, ordinances, rules, orders, statutes, decrees, judgments, injunctions, codes and regulations, and any other federal, state or local laws, ordinances, rules, codes and regulations, and any other federal, state or local laws, ordinances, rules, codes and regulations relating to the environment, human health or natural resources or the regulation or control of or imposing liability or standards of conduct concerning human health, the environment, Hazardous Materials or the clean-up or other remediation of a Unit or any facility at which Units are stored or serviced.

"Equipment Lot" shall mean any of (i) a number of New Vegetable Oil Cars, Corn Syrup Cars, or both, consisting of not less than 100 Units and not more than 199 Units, the number of each such type of Units to be designated by Obligor, but as among such types, randomly selected by Agent from among the New Vegetable Oil Cars and/or the Corn Syrup Cars subject to this LIS at the time of such selection based on the identification numbers of the Units, or (ii) all but not less than all of the Flour Cars subject to this LIS at the time of such selection, or (iii) all but not less than all of the Gondola Cars subject to this LIS at the time of such selection, or (iv) all but not less than all of the Tallow Cars subject to this LIS at the time of such selection, or (v) all but not less than all of the Soybean Meal Cars subject to this LIS at the time of such selection.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974.

"ERISA Affiliate" shall mean each entity required to be aggregated with Obligor pursuant to the requirement of Section 414(b) or 414(c) of the Code.

"Escrow Account" shall have the meaning provided in Section 2.2(c).

"Event of Default" shall have the meaning provided in Section 8.1.

"Fair Market Value" shall mean, with respect to any Unit as of any date, the price which a purchaser would pay to purchase such Unit in an arm's-length transaction between a willing buyer and a willing seller, neither of them being under any compulsion to buy or sell. In making any determination of Fair Market Value the Appraiser may assume such Unit has been maintained in accordance with the requirements of this LIS and that such Unit is in the condition in which it is required to be hereunder as of the date for which such determination is made and is suitable for interchange use (unless such fair market value is being determined for purposes of Section 7.3 or, solely for purposes of determining the Recourse Deficiency Amount, 11.4, in which case the foregoing assumptions shall not be made and the Appraiser shall determine the Fair Market Value based on the actual condition of each Unit). Appraiser shall use such reasonable methods of appraisal as are chosen by Agent upon instructions from the Required Obligees.

"15-Year Equipment" shall mean, collectively, the Group B Units, the Group C Units and the Group D Units.

"Flour Car" shall mean the flour differential pressure railcars described on the Group B Supplement.

"Funding" shall have the meaning provided in Section 2.2.

"GAAP" shall mean generally accepted accounting principles in the United States as in effect from time to time consistently applied and, with respect to the financial accounting of Obligor, shall include any changes that Obligor may apply, which changes, if material, are noted on Obligor's financial statements.

"Gondola Car" shall mean a gondola railcar described on Schedule I to the Group D Supplement.

"Governmental Action" shall mean all applicable permits, authorizations, registrations, consents, approvals, waivers, exceptions, variances, orders, judgments, decrees, licenses, exemptions, publications, filings, notices to and declarations of or with, or required by, any Authority, or required by any Applicable Laws and Regulations.

"Group A Supplement" shall mean the LIS Supplement, substantially in the form of Exhibit B hereto, to which the Group A Units are subject.

"Group B Supplement" shall mean the LIS Supplement, substantially in the form of Exhibit B hereto, to which the Group B Units are subject.

"Group C Supplement" shall mean the LIS Supplement, substantially in the form of Exhibit B hereto, to which the Group C Units are subject.

"Group D Supplement" shall mean the LIS Supplement, substantially in the form of Exhibit B hereto, to which the Group D Units are subject.

"Group A Units" shall mean the New Vegetable Oil Cars and the Tallow Cars.

"Group B Units" shall mean the Corn Syrup Cars and the Flour Cars.

"Group C Units" shall mean the Soybean Meal Cars.

"Group D Units" shall mean the Gondola Cars.

"Hazardous Material" shall mean any substance, waste or material which is toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic or otherwise hazardous by listing characteristic or definition under any Environmental Law, including petroleum, crude oil or any fraction thereof, petroleum derivatives, by-products and other hydrocarbons and is or becomes regulated by any Authority, including any agency,

department, commission, board or instrumentality of the United States, any State or any political subdivision thereof and also including asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls ("PCBs") and radon gas.

"Implicit Interest Rate" shall mean 7.73% per annum.

"Incipient Default" shall mean any condition, event or act, which with notice or lapse of time or both, would become an Event of Default.

"Income Taxes" shall have the meaning provided in Section 7.2.

"Indemnatee" shall mean each Obligee, Agent (in its individual capacity and as Agent) and their respective Affiliates, successors, permitted assigns, permitted transferees, invitees, contractors, servants, employees, officers, directors, trustees, shareholders, partners, participants, representatives and agents; provided, however, that in no event shall Obligor be an Indemnatee.

"Insurance Requirements" means all terms and conditions of any insurance policy required by this LIS to be maintained by Obligor, and all requirements of the issuer of any such policy.

"Interchange Rules" shall have the meaning provided in Section 3.2.

"Lien" shall mean any lien, mortgage, deed of trust, encumbrance, pledge, charge, right to purchase, lease, sublease, easement, servitude, right of others or security interest of any kind, including any thereof arising under any conditional sale or other title retention agreement.

"LIS" shall have the meaning provided in the introductory paragraph.

"LIS Balance" shall mean, as of any date of determination, the aggregate Supplement Balances of all outstanding LIS Supplements.

"LIS Supplement" shall have the meaning provided in Section 3.5, and shall refer to any Group A Supplement, Group B Supplement, Group C Supplement or Group D Supplement.

"LIS Term" shall have the meaning set forth in Section 4.1.

"Material Adverse Effect" shall mean any change or changes, effect or effects or condition or conditions that individually or in the aggregate are or could reasonably be expected to be materially adverse to (i) the business operations or financial condition of Obligor and its Subsidiaries on a consolidated basis, (ii) the transactions contemplated by the Operative Documents,

(iii) the ability of Obligor to perform its obligations under the Operative Documents or (iv) the validity or enforceability of any of the Operative Documents or any rights or remedies under any thereof.

"Multiemployer Plan" shall have the meaning assigned to the term "multiemployer plan" in Section 3(37) of ERISA.

"New Vegetable Oil Cars" shall mean vegetable oil railcars described on Schedule I to the Group A Supplement.

"Obligee" shall have the meaning provided in the introductory paragraph.

"Obligee Liens" shall mean Liens on or against any Unit (a) which result from any act of, or any Claim against, Agent or any Obligee in any case unrelated to the transactions contemplated by the Operative Documents or (b) which result from any Tax owed by any such Person, except any Tax for which Obligor is obligated to indemnify.

"Obligor" shall mean Cargill, Incorporated, a Delaware corporation.

"Officer's Certificate" of a Person means a certificate signed by the Chairman of the Board of Directors or the President or any Executive Vice President or any Senior Vice President or any other Vice President of such Person signing with the Treasurer or any Assistant Treasurer or the Controller or any Assistant Controller, Cashier, Assistant Cashier or the Secretary or any Assistant Secretary of such Person, or by any Vice President who is also Controller, Treasurer or Cashier signing alone.

"Operative Documents" shall mean this LIS (including all Annexes, Exhibits and Schedules hereto), each LIS Supplement, the Bills of Sale, and the Certificates.

"Option Exercise Amount" shall mean, as of any date of determination:

(i) with respect to the 15-Year Equipment, the sum of (a) the aggregate Supplement Balances of the Group B Supplement, the Group C Supplement and the Group D Supplement as of the date of determination, plus (b) all accrued but unpaid Payments, plus (c) the Applicable Administrative Charge, plus (d) all other sums then due and payable under the Operative Documents by Obligor or any of its Affiliates; and

(ii) with respect to the 20-Year Equipment, the sum of (a) the Supplement Balance of the Group A Supplement as of the date of determination, plus (b) all accrued but unpaid Payments, plus

(c) the Applicable Administrative Charge, plus (d) all other sums then due and payable under the Operative Documents by Obligor or any of its Affiliates.

"Part" shall have the meaning provided in Section 5.4.

"Participation Percentage" shall mean, as to any Obligee, at a particular time, the percentage of the outstanding LIS Balance at such time represented by such Obligee's Certificate.

"Payment Dates" shall mean the last day of November and May in each year, commencing November 30, 1996; provided, that if such last day does not fall on a Business Day, then the Payment Date shall be the next succeeding Business Day.

"Payment Default" shall mean an Event of Default contemplated by Section 8.1(a) hereof.

"Payments" shall mean Basic Payments and Supplemental Payments, collectively.

"PBGC" shall mean the Pension Benefit Guaranty Corporation or any entity succeeding to any or all of its functions under ERISA.

"Pension Plan" shall mean, with respect to any Person, a "pension plan" as such term is defined in section 3(2) of ERISA which is subject to Title IV of ERISA and to which such Person may have any liability or contingent liability, including, but not limited to, liability by reason of having been a substantial employer within the meaning of section 4063 of ERISA at any time during the preceding five years, or by reason or being deemed to be a contributing sponsor under section 4069 of ERISA.

"Permitted Contest" shall mean actions taken by a Person to contest in good faith, by appropriate proceedings initiated timely and diligently prosecuted, the legality, validity or applicability to any Unit or any interest therein of any Person of: (a) any law, regulation, rule, judgment, order, or other legal provision or judicial or administrative requirements; (b) any term or condition of, or any revocation or amendment of, or other proceeding relating to, any authorization or other consent, approval or other action by any Authority; or (c) any Lien or Tax; provided that the initiation and prosecution of such contest would not: (i) result in, or materially increase the risk of, the imposition of any criminal liability on any Indemnitee; (ii) materially and adversely affect the security interests created by the Operative Documents or the right, title or interest of Agent or any Obligee in or to any of the Units or the right of Agent or any Obligee to receive all or any portion of the Payments, LIS Balance, Supplement Balance, Administrative Charge or any other amount payable under the Operative Documents; (iii) permit, or pose a material risk of, the

sale or forfeiture of, or foreclosure on, any Unit or (iv) materially and adversely affect the fair market value, utility or remaining useful life of any Unit or any interest therein or the continued economic operation thereof; and provided further that in any event adequate reserves in accordance with GAAP are maintained against any adverse determination of such contest.

"Permitted Investments" shall mean (a) direct obligations of, or obligations guaranteed by, the United States or any agency thereof (or any mutual fund investing solely in any of the foregoing), (b) commercial paper issued in the United States by any corporation (other than Obligor or its Subsidiaries or its Affiliates) and rated at least A-1 (by Standard & Poor's Corporation) or P-1 (by Moody's Investors Service, Inc.), (c) certificates of deposit issued by, or drafts accepted by, any bank or trust company the short-term obligations of which (or of such Person's corporate parent) are rated at least A-1 (by Standard & Poor's Corporation) or P-1 (by Moody's Investors Service, Inc.) and (d) any other negotiable instrument guaranteed or endorsed with full recourse by any such bank or trust company; provided that all such obligations, commercial paper, certificates of deposit, drafts and instruments are denominated in United States Dollars and the obligor thereon is located in the United States, each such obligation, certificate of deposit, draft and instrument matures within thirty days after the date of investment and each item of such commercial paper matures within thirty days after the date of investment.

"Permitted Liens" shall mean (i) any rights in favor of Agent and the Obligees pursuant to this LIS; (ii) materialmen's, mechanics', workers', artisan's, repairmen's, employees' or other like Liens securing payment of the price of goods or services rendered in the ordinary course of business for amounts the payment of which is not overdue or is being contested pursuant to a Permitted Contest; (iii) any Obligee Lien; (iv) Liens for current Taxes which are not delinquent or the validity of which is being contested pursuant to a Permitted Contest; and (v) the respective rights and interests of the parties under Subleases, including the UK Conditional Sale and Lease Documents; provided (A) such rights and interests under such Subleases, including the UK Conditional Sale and Lease Documents, remain at all times subject and subordinate to the rights of Agent and the Obligees and the Liens granted to Agent under the Operative Documents and (B) such Subleases, including the UK Conditional Sale and Lease Documents, shall not create, grant or provide for any Lien against any Unit.

"Person" shall mean an individual, corporation, partnership, joint venture, association, joint-stock company, trust, limited liability company, unincorporated organization or Authority.

"Plan" shall mean an "employee benefit plan" as defined in section 3(3) of ERISA.

"Proceeds" shall have the meaning specified in Section 11.1(c).

"Prohibited Transaction" shall mean a transaction that is prohibited under Code Section 4975 or ERISA Section 406 and not exempt under Code Section 4975 or ERISA Section 408.

"Purchase Option" shall have the meaning specified in Section 11.1(b).

"Purchase Price" for a Unit shall mean the Appraised Value of such Unit as of the date indicated in the Appraisal delivered on the Delivery Date, and the aggregate Purchase Price of all Units shall be the aggregate Appraised Value of the Units, not to exceed \$104,000,000.

"Qualified Institutional Buyer" shall mean a holder of Certificates who is a "Qualified Institutional Buyer" as defined in Rule 144A of the Securities Act, but is not known to the transferring Obligee to be a Competitor.

"Recourse Deficiency Amount" shall mean, with respect to the exercise of a Sale Option:

(i) in the case of all of the Units then subject to this LIS, the difference between (X) the aggregate Option Exercise Amount for all such Units at the last day of any Renewal Term in which such Sale Option is elected and (Y) the product obtained by multiplying 11.31% by the Appraised Value of all Units then subject to this LIS as of the first day of the Renewal Term in which such Sale Option is elected; and

(ii) solely in the case of 20-Year Equipment, the difference between (X) the Option Exercise Amount for the 20-Year Equipment at the last day of any Renewal Term in which such Sale Option is elected and (Y) the product obtained by multiplying 11.31% by the Appraised Value of all 20-Year Equipment then subject to this LIS as of the first day of the Renewal Term in which the Sale Option is elected.

"Regulated Activity" shall mean the use, Release, generation, treatment, storage, recycling, transportation or disposal of Hazardous Material to the extent such activities are regulated by any Authority.

"Regulations" shall mean the income tax regulations promulgated from time to time under and pursuant to the Code.

"Release" shall mean the release, deposit, disposal or leak of any Hazardous Material into or upon or under any land or water or air, or otherwise into the environment, including, without limitation, by means of burial, disposal, discharge, emission, injection, spillage, leakage, seepage, leaching, dumping, pumping, pouring, escaping, emptying, placement and the like.

"Renewal Term" shall have the meaning set forth in Section 4.2.

"Reportable Event" shall mean a "reportable event" described in Section 4043(b) of ERISA and the regulations thereunder.

"Required Obligees" shall mean, as of the date of the determination, holders of Certificates representing more than two-thirds of the then outstanding LIS Balance.

"Responsible Officer" shall mean (i) in the case of Obligor, the Chairman or Vice Chairman of the Board of Directors, the Chairman or Vice Chairman of the Executive Committee of the Board of Directors, the President, any Senior Vice President or Executive Vice President, any Vice President, the Secretary, any Assistant Secretary, the Treasurer, or any Assistant Treasurer and (ii) in the case of Agent, any officer of Agent acting in an administrative capacity with respect to Agent's duties and activities described in this LIS.

"Restricted Subsidiary" of Obligor shall mean (a) each of Caprock Industries, Inc., Cargill Americas, Inc., Cargill Citro-America, Inc., Cargill Rice, Inc., Cargill Limited, Cargill Canada Ltd., Mighty Peace Shipping & Transportation Ltd., National Grain & Feeds Limited, Cargill Marine and Terminal, Inc., Hohenberg Bros. Company, R.T. Hoover and Co., Inc., Leslie Production Company, PAG Services, Inc., Sunny Fresh Foods, Inc., Cargill Petroleum, Inc.; and (b) each Subsidiary of Obligor which (i) is organized under the laws of any State of the United States of America, Canada or any Province of Canada, (ii) conducts the major portion of its business in the United States of America or Canada, (iii) is not engaged in the banking, leasing, insurance or finance business and (iv) is designated, subsequent to the date hereof, as a Restricted Subsidiary by resolution of the Board of Directors of Obligor, a certified copy of which resolution shall be delivered by Obligor to Agent and each Obligee.

"Sale Option" shall have the meaning provided in Section 11.1(c).

"Sale Recourse Amount" shall have the meaning provided in Section 11.1(c).

"SEC" shall mean the United States Securities and Exchange Commission.

"Securities Act" shall mean the Securities Act of 1933.

"Securities Exchange Act" shall mean the Securities Exchange Act of 1934.

"Senior Officer" shall mean the Chairman or Vice Chairman of the Board of Directors, the Chairman or Vice Chairman of the Executive Committee of the Board of Directors, the President, the Chief Executive Officer, the Chief Financial Officer or the Treasurer of Obligor.

"Source" shall have the meaning provided in Section 12.2(a).

"Soybean Meal Car" shall mean the soybean meal railcars described on Schedule I to the Group C Supplement.

"STB" shall mean the United States Surface Transportation Board.

"Sublease" shall have the meaning provided in Section 5.2.

"Subsidiary" shall mean, with respect to any Person, any corporation or other entity of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other Persons performing similar functions are at the time directly or indirectly owned by such Person.

"Supplement Balance" shall mean with respect to any LIS Supplement, as of any determination date, the aggregate Purchase Price of all of the Units subject to such LIS Supplement less the principal component of all Basic Payments made with respect to such Units, as described on Schedule II of such LIS Supplement, and all payments with respect to such Units pursuant to Sections 6.1 (other than pursuant to the penultimate paragraph of Section 6.1), 8.2, and 11.5 theretofore paid by Obligor.

"Supplemental Payments" shall mean any and all amounts, liabilities and obligations other than Basic Payments which Obligor assumes or agrees or is otherwise obligated to pay under this LIS or any other Operative Document (whether or not designated as Supplemental Payments) to Agent, any Obligee or any other Person.

"Surviving Entity" shall have the meaning set forth in Section 13.1.

"Taxes" and "Tax" shall mean any and all fees (including, without limitation, documentation, recording, license and registration fees), taxes (including income (whether net, gross or

adjusted gross), gross receipts, sales, rental, use, turnover, value-added, property, excise and stamp taxes), levies, imposts, duties, charges, assessments or withholdings of any nature whatsoever, together with any penalties, fines or interest thereon or additions thereto.

"Tallow Car" shall mean the tallow railcars described on Schedule I to the Group A Supplement.

"Termination Date" shall mean with respect to any Unit the date the LIS Term (including any Renewal Term) ends for the LIS Supplement to which such Unit is subject pursuant to (a) Article VIII in connection with an Event of Default, (b) Section 11.5 in connection with an early termination, or (c) Section 11.1 in connection with the exercise of the Purchase Option or Sale Option.

"Transaction Costs" shall have the meaning provided in Section 3.8.

"20-Year Equipment" shall mean the Group A Units.

"UCC" shall mean the Uniform Commercial Code of Illinois or any other applicable jurisdiction.

"UK Conditional Sale and Lease Documents" shall mean agreements providing for a conditional sale by Obligor to a United Kingdom financial institution (a "UK Lessor") of Obligor's interest in the Units through an exercise by Obligor of the Purchase Option and a lease by such UK Lessor to Obligor or its Affiliate; provided that title to the Units shall remain solely in the name of Agent and the Obligees during the Lease Term and the UK Conditional Sale and Lease Documents otherwise satisfy each of the other requirements and conditions set forth herein.

"Unit" or "Units" shall have the meaning provided in the Recitals, and shall refer to any, in the case of "Unit", and all, in the case of "Units", of the Group A Units, Group B Units, Group C Units and Group D Units.

"Unit Value Fraction" shall mean, with respect to any Unit, a fraction determined as of any Payment Date the numerator of which is the Purchase Price for such Unit and the denominator of which is the aggregate Purchase Price of all Units then subject to the LIS Supplement to which such Unit is subject, including such Unit.

ARTICLE II
ACQUISITION AND LEASE; GENERAL PROVISIONS

Section 2.1 Application of Funds; Sale and Lease of Units.
On the Delivery Date, upon satisfaction or waiver of each of the conditions set forth in this Article II and Article III, (i) Agent, on behalf of the Obligees, shall pay to Obligor (from funds received from the Obligees pursuant to Section 2.2), in consideration for the interest in the Units to be acquired on the Delivery Date, or within 45 days thereafter in accordance with Section 2.2(c), as specified in the Delivery Date Notice delivered pursuant to Section 3.1, an amount equal to the Purchase Price of such Units; and, the portion of the Purchase Price to be paid directly to Obligor shall be paid in immediately available federal funds remitted by wire transfer to the following account:

Bank:	Chase Manhattan Bank One Chase Manhattan Plaza New York, NY
ABA Routing #:	021000021
Account #:	910-1-149475
Payee:	Cargill, Incorporated
Notify:	David B. Braden, Assistant Treasurer (612) 742-6144
Reference:	Cargill, Incorporated Synthetic Lease Transaction/Lease Intended as Security Dated May 31, 1996;

(ii) Obligor shall transfer title to the Units purchased on the Delivery Date to Agent, for the benefit of the Obligees, pursuant to the Bill of Sale; and (iii) Agent, on behalf of the Obligees, shall lease to Obligor the Units so purchased on the Delivery Date and Obligor in accordance with this LIS shall accept delivery of and lease such Units from Agent pursuant to this LIS. On the date specified in the notice delivered pursuant to Section 2.10(iii) and upon satisfaction of the conditions set forth in Article III with respect to the Units specified in such notice, (i) Obligor shall transfer title to the Units purchased on such date to Agent, for the benefit of the Obligees, pursuant to the Bill of Sale; and (ii) Agent, on behalf of the Obligees, shall lease to Obligor the Units purchased on such date and Obligor in accordance with this LIS shall accept delivery of and lease such Units from Agent pursuant to this LIS. Each Obligee shall hold an undivided interest in each Unit equal to such Obligee's Participation Percentage.

Section 2.2 Funding by Obligees.

(a) Subject to the terms and conditions set forth in this LIS applicable to a funding, and in reliance on the representations and warranties contained herein or made

pursuant hereto, upon receipt of the Delivery Date Notice, the Obligees shall transfer to Agent on the specified Delivery Date an aggregate amount equal to the aggregate Purchase Price of the Units (such transfer being referred to herein as a "Funding"). The amount funded by each Obligee shall be equal to such Obligee's Commitment.

(b) Remittances pursuant to this Section 2.2 shall be made in immediately available federal funds by wire transfer to the account of Agent set forth on Schedule I (or as otherwise specified by Agent to the Obligees from time to time not less than three Business Days prior to the date of the requested Funding) and must be received by the Agent by 11:00 a.m., Chicago time on the specified Delivery Date.

(c) An amount equal to the aggregate Purchase Price of the Units not actually acquired on the Delivery Date but to be acquired within 45 days thereafter, but in no event in an amount greater than \$6,500,000, shall be advanced to an escrow account (the "Escrow Account") maintained with Agent at Norwest Bank Minnesota, National Association, in favor of the Obligees to secure the obligations of Obligor under the Operative Documents, which Escrow Account shall be subject to and administered in accordance with the provisions of Section 2.10.

Section 2.3 Time and Place of Delivery Date. The Delivery Date shall take place on the date set forth in the Delivery Date Notice, commencing at 9:00 a.m. Chicago time, at Mayer, Brown & Platt, 190 South La Salle Street, Chicago, Illinois 60603-3441, subject to the following and to the other terms and conditions set forth in this LIS:

(i) the Funding and Delivery Date shall occur on a Business Day on or after the date hereof and not later than June 15, 1996, it being understood that there may be a Funding without a Delivery Date if Obligor has postponed the Delivery Date pursuant to Section 2.4, so long as the Delivery Date occurs not later than June 15, 1996; and

(ii) in no event shall the aggregate amount advanced by the Obligees exceed the Purchase Price.

Section 2.4 Postponement of Delivery Date. In the event that the Obligees shall make the Funding requested pursuant to Section 2.2 and the Delivery Date shall not have occurred on the date specified in such Delivery Date Notice, Obligor shall pay to Agent, for the benefit of the Obligees, interest on the amount funded by each Obligee at the Implicit Interest Rate, less any interest earned by investing such funded amounts, which interest

shall be for the ratable benefit of the Obligees; provided that this provision shall not be construed to require Agent to invest such funds in interest-bearing accounts. Such interest shall be due and payable by Obligor upon the consummation of the Delivery Date and such payment shall be an additional condition precedent to such Delivery Date; provided, however, that no additional Delivery Date Notice shall be required to be given if the Delivery Date is postponed and thereafter consummated; and provided, further, that if such Delivery Date shall not have occurred by the first to occur of (a) the fifth (5th) Business Day following the Funding in respect thereof and (b) June 15, 1996, then all such interest shall be due and payable on such date, and Agent shall refund to each Obligee all amounts funded by such Obligee, and Obligor shall pay to each Obligee its share of the Applicable Administrative Charge.

Section 2.5 Nature of Transaction. It is the intent of the parties that: (a) the transaction contemplated hereby constitutes an operating lease from Agent and Obligees to Obligor for purposes of Obligor's financial reporting, (b) the transaction contemplated hereby preserves ownership in the Units to Obligor for Federal and state tax, bankruptcy and UCC purposes, (c) this LIS grants a security interest in the Units and the other Collateral to Agent, for the benefit of the Obligees, and (d) the obligations of Obligor to pay the deemed principal portion and deemed interest portion of Payments, LIS Balance, Option Exercise Amount and similar amounts shall be treated as payments of principal and interest, respectively. Except as specifically provided for herein, Agent, for the benefit of the Obligees, shall retain title to the Units, free and clear of all Liens other than Permitted Liens, as security for the obligations of Obligor under the Operative Documents. Obligor shall not have any right, title or interest in the Units except as expressly set forth in this LIS. Each of the parties to this LIS agrees that it will not, nor will any corporation controlled by it, or under common control with it, directly or indirectly, except as otherwise required by any taxing authority, at any time take any action or fail to take any action with respect to the filing of any tax return, including an amended income tax return, inconsistent with the intention of the parties expressed in this Section 2.5.

Section 2.6 Replacements. Obligees hereby agree that they shall instruct Agent to release a Part or Unit from this LIS and evidence such release by the execution and delivery of a termination statement release and such other documents as may be required to release the replaced Part or Unit from this LIS and which are in form and substance satisfactory to the Required Obligees subject to the satisfaction of the conditions set forth herein with respect to the release of such Part or Unit.

Section 2.7 NO WARRANTY. OBLIGOR ACKNOWLEDGES AND AGREES THAT (a) EACH UNIT IS OF A SIZE, DESIGN, CAPACITY AND MANUFACTURE

SELECTED BY OBLIGOR, (b) OBLIGOR IS SATISFIED THAT THE SAME IS SUITABLE FOR ITS PURPOSES, (c) NEITHER ANY OBLIGEE NOR AGENT IS A MANUFACTURER THEREOF OR A DEALER IN PROPERTY OF SUCH KIND AND (d) NEITHER ANY OBLIGEE NOR AGENT HAS MADE, OR DOES OR WILL MAKE, (i) ANY REPRESENTATION OR WARRANTY OR COVENANT, WITH RESPECT TO THE TITLE, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, CONDITION, QUALITY, DESCRIPTION, DURABILITY OR SUITABILITY OF ANY SUCH UNIT IN ANY RESPECT OR IN CONNECTION WITH OR FOR THE PURPOSES AND USES OF OBLIGOR OR (ii) ANY OTHER REPRESENTATION OR WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO ANY UNIT, IT BEING AGREED THAT ALL RISKS, AS BETWEEN OBLIGEEES AND AGENT, ON THE ONE HAND, AND OBLIGOR, ON THE OTHER HAND, SHALL BE BORNE BY OBLIGOR. Agent assigns to Obligor, to the extent assignable, all of its interest, if any, in any warranties, covenants and representations of any manufacturer or vendor of any Unit; provided that such assignment shall be effective only when no Event of Default has occurred and is continuing; and provided, further, that any action taken by Obligor by reason thereof shall be at the expense of Obligor and shall be consistent with Obligor's obligations pursuant to this LIS.

Section 2.8 Legal, Accounting and Tax Representation. Obligor acknowledges and agrees that neither any Obligee nor Agent has made any representations and warranties concerning the tax, accounting or legal characteristics of this LIS and that Obligor has obtained and relied on such tax, accounting and legal advice regarding this LIS and the other Operative Documents as it deems appropriate.

Section 2.9 Computations. All computations of accrued amounts pursuant to the Operative Documents shall be made on the basis of actual number of days elapsed in a 360-day year.

Section 2.10 Escrow Account. Notwithstanding the provisions of Sections 2.1 and 2.2(a), to the extent that any Units are not available on the Delivery Date but are contemplated to be available within 45 days thereafter, Obligor may certify in its Delivery Date Notice the Units so contemplated to be available for purchase within such 45 day period and the aggregate Purchase Price thereof and that it requests an advance of funds into the Escrow Account in an amount equal to such aggregate Purchase Price in anticipation of the acquisition of such Units. On the Delivery Date the Obligees will advance to Agent such amount to be deposited in the Escrow Account subject to the following terms and conditions:

(i) Agent shall, to the extent practicable, invest all funds in the Escrow Account in Permitted Investments pursuant to the Required Obligees' written instructions; provided that so long as no Event of Default shall exist, the Obligees hereby authorize Obligor to instruct Agent with respect to Permitted Investments; and provided further that until such

time as Agent has received a legal opinion or opinions, in form and substance reasonably satisfactory to Agent, indicating that Agent will have a perfected security interest in other types of Permitted Investments, the funds in the Escrow Account will be invested only in Permitted Investments described in part (a) of the definition of Permitted Investments and which are book entry securities issued by the United States Treasury deemed to be certificated securities under the applicable regulations of the United States of America and held in the Escrow Account and which are maintained by and in the name of Agent in an account maintained with the Federal Reserve Bank of Minneapolis containing only customer securities. Agent shall bear no liability for any losses on such investments, except for acts of gross negligence or willful misconduct which shall include the failure of Agent to invest the funds deposited in the Escrow Account in a Permitted Investment specified by Obligor reasonably promptly after Obligor's written instructions directing Agent to invest such funds in such Permitted Investments. All income from such investments shall be retained in the Escrow Account and shall be released to Obligor not later than 45 days after the Delivery Date, or such earlier date on which the Escrow Account may be terminated; provided in each case that all amounts due and owing to the Obligees and Agent have been paid. All income from investment in the Escrow Account shall be taxable to Obligor, and Agent shall prepare and distribute to Obligor, as required, Form 1099 or other appropriate Federal and state income tax forms with respect to such income. All amounts in the Escrow Account from time to time shall constitute Collateral under the Operative Documents.

(ii) The funding by the Obligees into the Escrow Account shall be deemed part of the Funding on the Delivery Date for all purposes under the Operative Documents, including with respect to the determination of the outstanding LIS Balance and Supplement Balances and Basic Payments. Except as set forth in clause (i) above and notwithstanding any other terms of this LIS to the contrary, the Required Obligees, in their sole and absolute discretion, shall, upon written notice to Agent and Obligor, have the right to direct Agent with respect to the Escrow Account and the assets therein without any consent of Obligor; provided, that so long as no Event of Default shall exist, the Obligees hereby direct Agent to take such actions with respect to the Escrow Account and the assets therein as provided in clauses (iii) and (iv).

(iii) Upon four (4) Business Days' prior written notice to Agent, as long as no Event of Default exists, Obligor may request that funds be withdrawn from the Escrow Account to finance the Agent's purchase of the Units specified in such

notice as contemplated in this LIS and to otherwise conform to a Delivery Date Notice; provided that all such Units must be acquired on the same date. On the withdrawal date specified in such notice, and upon satisfaction of the conditions set forth in Article III with respect to such Units (and which have not been previously satisfied to the reasonable satisfaction of Agent on the Delivery Date), Agent shall release funds from the Escrow Account for the acquisition of such Units.

(iv) To the extent that funds remain in the Escrow Account, on the date that is the earlier of (x) the withdrawal date specified in the notice specified in clause (iii) and (y) the 45th day following the Delivery Date, such funds (excluding accrued interest thereon) shall be used by Agent to prepay a portion of the Supplement Balance for the LIS Supplement to which the Units to be acquired relate. Concurrently therewith, Obligor shall pay to Agent, for the benefit of the Obligees, the interest component of Basic Payments accruing through the date of such prepayment on the portion of the Supplement Balance prepaid in accordance with the preceding sentence and the Applicable Administrative Charge, if any, on the portion of such Supplement Balance so prepaid. Upon receipt by each Obligee of its pro rata share of the prepayment amount, the interest thereon and the Applicable Administrative Charge, if any, (A) Agent shall release any accrued interest remaining in the Escrow Account to Obligor and (B) Attachment 1 to each of the Certificates and the LIS Supplements to which the Units that were not purchased relate shall be adjusted in the manner provided in Section 6.1 to terminate the LIS with respect to such Units not purchased and to revise the scheduled installments of Basic Payments under such LIS Supplements and Certificates.

ARTICLE III CONDITIONS TO DELIVERY DATE

The obligation of each Obligee to make its Funding hereunder and of the Agent to purchase from, and lease to, Obligor the Units on the Delivery Date, shall be subject to the fulfillment to the satisfaction of (including, with respect to writings, such writings being in form and substance reasonably satisfactory to Agent and each Obligee), or the waiver in writing by Agent and each Obligee, of the conditions precedent set forth in this Article III on or prior to the Delivery Date (except that the obligation of any party hereto shall not be subject to the performance or compliance of such party or of any of such party's Affiliates).

Section 3.1 Delivery Date Notice. Obligor shall have delivered to Agent and each Obligee, not later than 12:00 p.m.

Chicago time not earlier than the tenth (10th) and not later than 4:00 p.m., Chicago time, on May 30, 1996, an irrevocable notice (a "Delivery Date Notice") substantially in the form of Exhibit E, setting forth (i) the proposed Delivery Date, (ii) a description (including model, make and serial number) of each Unit to be purchased on the Delivery Date, (iii) the respective Purchase Prices of the Units to be purchased on the Delivery Date, (iv) a description of each Unit, the Purchase Price for which is to be funded into the Escrow Account, and the aggregate Purchase Price funded into the Escrow Account in respect of such Units, and (v) wire transfer instructions for the disbursement of funds.

Section 3.2 Appraisal. At least 3 Business Days prior to the Delivery Date, each Obligee shall have received an Appraisal to their satisfaction opining:

(a) that the Appraised Value of each Unit is reasonably expected to be equal to the amount set forth in Schedule III to the LIS Supplement to which such Unit is subject;

(b) that the remaining economic useful life of each of the Units is not less than thirty-five (35) years;

(c) that the values set forth in clause (a) above assume an increase for inflation of 2.5% per annum, and that such inflation assumption is reasonable; and

(d) each Unit is "interchange qualified" pursuant to the interchange rules or supplements thereto of the Association of American Railroads (the "A.A.R."; such rules, as amended, modified, or supplemented from time to time, the "Interchange Rules").

Section 3.3 Lease Intended as Security. On or prior to the Delivery Date, Agent and each Obligee shall have received a fully executed counterpart of this LIS; provided, however, only Agent shall receive the original counterpart marked "Counterpart No. 1 - Agent's Original Copy".

Section 3.4 Bill of Sale. Obligor shall have executed and delivered to Agent a bill of sale (each a "Bill of Sale") with respect to each Unit to be sold by it to Agent on the Delivery Date in the form of Exhibit A hereto.

Section 3.5 LIS Supplements. On the Delivery Date, Obligor shall execute and deliver to Agent and each Obligee a fully executed counterpart of the Group A Supplement, Group B Supplement, Group C Supplement and Group D Supplement, in each case in form and substance reasonably satisfactory to the Obligees and substantially in the form of Exhibit B (each a "LIS Supplement"); provided, however, only Agent shall receive the original counterpart marked

"Counterpart No. 1 - Agent's Original Copy". Each LIS Supplement shall set forth:

(a) in Schedule I thereto, a description of and the Purchase Price for the Units subject to such LIS Supplement;

(b) in Schedule II thereto, the Applicable Percentages, a schedule of Basic Payments and the Supplement Balances of such LIS Supplement as of the Delivery Date and as of the end of each Renewal Term, assuming in each case that all Payments due and payable thereunder to and including such date have been paid; and

(c) in Schedule III thereto, the Appraised Value of each Unit subject to such LIS Supplement as of the Delivery Date and the end of each Renewal Term.

Section 3.6 Search Reports. Prior to the Delivery Date, Agent shall have received reports acceptable to Agent and counsel to the Obligees as to Obligor and the Units from filing or recording offices of the STB, dated as close to the Delivery Date as practicable, in respect of a search of the records maintained by the STB, which search reports shall evidence Obligor's ownership of the Units free and clear of all Liens.

Section 3.7 Filings and Financing Statements. On or prior to the Delivery Date, this LIS and each LIS Supplement shall have been duly filed, recorded and deposited in conformity with 49 United States Code Section 11301. On or prior to the Delivery Date, Agent shall have received from Obligor duly executed UCC financing statements identifying Obligor as debtor and Agent as secured party for the benefit of the Obligees, and describing this LIS as a secured transaction, and such financing statements, together with all other filings and notices reasonably requested by Agent or any Obligee for the perfection of Agent's security interest in the Collateral, shall have been filed in each applicable jurisdiction.

Section 3.8 Transaction Costs; Fees. On or prior to the Delivery Date, all legal and other fees, costs and expenses described in that certain letter agreement dated April 9, 1996 between Obligor and BA Leasing & Capital Corporation ("Transaction Costs") shall have been paid pursuant to such letter agreement. Such payment shall be made by wire transfer of immediately available funds to the account specified for Agent at Schedule I.

Section 3.9 Opinions of Counsel. On or prior to the Delivery Date, each Obligee, Agent and their respective counsel shall have received the opinions of (a) Robin P. Kinning, Esq., Attorney of Obligor, substantially to the effect of the matters set forth in Exhibit C-1, and (b) Donelan, Cleary, Wood & Maser, P.C., special STB counsel to Obligor, substantially to the effect of the matters

set forth in Exhibit C-2. By its execution hereof, Obligor expressly instructs each such counsel to execute and deliver such opinions to the Persons designated in the preceding sentence. Each Obligee and Agent shall also have received a satisfactory opinion of the Obligees' special counsel.

Section 3.10 Corporate Status and Proceedings. On or prior to the Delivery Date, Agent shall have received:

(a) certificates of existence and good standing with respect to Obligor from the Secretary of State of the State of its incorporation, dated no earlier than the 15th day prior to the Delivery Date;

(b) an Officer's Certificate of Obligor substantially in the form of Exhibit F-1, dated the Delivery Date, with respect to representations and warranties and absence of defaults; and

(c) a Certificate of the Secretary or Assistant Secretary of Obligor substantially in the form of Exhibit F-2, dated the Delivery Date, with respect to Obligor's governing documents, resolutions and incumbent officers.

Section 3.11 Consents and Approvals. On or prior to the Delivery Date, all necessary consents, approvals and authorizations of, and declarations, registrations and filings with, Authorities and nongovernmental Persons required to consummate the transactions contemplated by this LIS shall have been obtained or made by Obligor and shall be in full force and effect.

Section 3.12 Payment of Impositions. All Taxes payable on or prior to the Delivery Date in connection with the execution, delivery, recording or filing of any of the Operative Documents, in connection with the filing of any of the financing statements and any other documents, in connection with the consummation of any other transactions contemplated hereby or by any of the other Operative Documents, shall have been paid in full by Obligor.

Section 3.13 Insurance. On or prior to the Delivery Date, Agent shall have received (and each Obligee shall have received a copy of) a current certificate to the effect that insurance complying with Section 6.2 of this LIS is in full force and effect, and there shall be no past due premiums in respect of any such insurance.

Section 3.14 Obligees. The Obligees shall have funded the Purchase Price to the account of the Agent set forth on Schedule I.

Section 3.15 Absence of Material Adverse Effect. Since February 29, 1996, no Material Adverse Effect shall have occurred.

Section 3.16 Representations and Warranties True; Absence of Defaults. Each of the representations and warranties made by or on behalf of Obligor under the Operative Documents shall be true on and as of the Delivery Date, and there shall exist no Incipient Default or Event of Default.

Section 3.17 Certificates. Each Obligee shall have received from Obligor a Certificate (as defined in Section 14.1) duly executed by Obligor, authenticated by Agent and registered in such Obligee's name evidencing such Obligee's right to receive such Obligee's Participation Percentage of the payments (i) in respect of the LIS Balance and (ii) in respect of the Payments hereunder, in each case as provided in this LIS.

Section 3.18 Rating of Certificates. The Certificates shall have received a preliminary rating from the National Association of Insurance Commissioners of "1".

Section 3.19 Private Placement Number. A Private Placement Number issued by Standard & Poor's CUSIP Service Bureau (in cooperation with the Securities Valuation Office of the National Association of Insurance Commissioners) shall have been obtained for the Certificates.

Section 3.20 Proceedings Satisfactory, Etc. All proceedings taken in connection with the Delivery Date and all documents relating thereto shall be reasonably satisfactory to Agent, each Obligee and their respective counsel, and each such Person shall have received copies of such documents as they may reasonably request in connection therewith, all in form and substance reasonably satisfactory to each such Person.

ARTICLE IV LIS TERM AND PAYMENTS

Section 4.1 LIS Term. Unless earlier terminated, the term of this LIS with respect to any Unit shall consist of (a) a base period commencing on and including the Delivery Date and ending on but not including the first anniversary thereof (the "Base Term") and (b) any exercised Renewal Terms (collectively, the "LIS Term").

Section 4.2 LIS Renewal. Obligor may elect to renew this LIS (a) in the case of the 20-Year Equipment, for up to nineteen (19) successive one-year renewal terms with respect to all, but not less than all, of the 20-Year Equipment then subject to this LIS and (b) in the case of the 15-Year Equipment, for up to fourteen (14) successive one-year renewal terms with respect to all, but not less than all, of the 15-Year Equipment then subject to this LIS, in either case as provided in Article XI (each, a "Renewal Term").

Section 4.3 Payments. With respect to the Units subject to an LIS Supplement, on each Payment Date during the LIS Term for such Units, Obligor shall pay to Agent, for the benefit of the Obligees, the Basic Payment for such Units in the amount set forth on Schedule II to such LIS Supplement ("Basic Payments"). Scheduled installments of Basic Payments under each LIS Supplement may be adjusted pursuant to Sections 2.10, 6.1, and 11.5(b).

Section 4.4 Place and Manner of Payment. Payments and all other sums due to Agent or any Obligee hereunder shall be paid in immediately available funds and if payable to Agent or to an Obligee, at the office of Agent or such Obligee specified on Schedule I, or at such other office of Agent or any Obligee as such Person may from time to time specify to Obligor in a notice pursuant to this LIS. All such payments shall be received by Agent or the appropriate Obligee, as applicable, not later than 10:00 a.m. Chicago time, on the date due; funds received after such time shall for all purposes under the Operative Documents be deemed to have been received by Agent on the next succeeding Business Day. Any payments received by Agent not later than 10:00 a.m. Chicago time, shall be paid by Agent to the Obligees in immediately available funds no later than 2:00 p.m. Chicago time on the same day and any payments received by Agent from or on behalf of Obligor after 10:00 a.m. Chicago time, shall be paid to Obligees as soon after receipt as practicable, but not later than 12:00 noon Chicago time on the next succeeding Business Day.

Section 4.5 Net Obligations. Obligor's obligation to pay all Payments, Administrative Charges, indemnities and other amounts payable hereunder shall be absolute and unconditional under any and all circumstances and, without limiting the generality of the foregoing, Obligor shall not be entitled to any abatement or reduction of Payments or any setoff against Payments, Administrative Charge, indemnity or other amounts, whether arising by reason of any past, present or future claims of any nature by Obligor against Agent or any Obligee, or otherwise. Except as otherwise expressly provided herein, this LIS shall not terminate, nor shall the obligations of Obligor be otherwise affected: (a) by reason of any defect in, damage to, or loss of possession or use, obsolescence or destruction, of any or all of the Units, however caused; or (b) by the taking or requisitioning of any or all of the Units by condemnation or otherwise; or (c) by the invalidity or unenforceability or lack of due authorization by Agent, any Obligee or Obligor or other infirmity of this LIS or any other Operative Document; or (d) by the attachment of any Lien of any third party to any Unit; or (e) by any prohibition or restriction of or interference with Obligor's use or quiet enjoyment of any or all of the Units by any Person; or (f) by the insolvency of or the commencement by or against Agent or any Obligee of any bankruptcy, reorganization or similar proceeding; or (g) by the failure of Obligor to achieve the characterization of the transaction intended

by Obligor as set forth in Section 2.5; or (h) by any other cause, whether similar or dissimilar to the foregoing, any present or future law to the contrary notwithstanding. It is the intention of the parties that all Payments, Administrative Charges, indemnities and other amounts payable by Obligor hereunder shall be payable in all events in the manner and at the times herein provided unless Obligor's obligations in respect thereof have been terminated or modified pursuant to the express provisions of this LIS. To the extent permitted by applicable law, Obligor hereby waives any and all rights which it may now have or which may at any time be conferred upon it, by statute or otherwise, to terminate, cancel, quit or surrender this LIS, in whole or in part, except strictly in accordance with the express terms hereof. Each rental, indemnity or other payment made by Obligor hereunder shall be final, and Obligor shall not seek to recover (except as expressly provided in this LIS) all or any part of such payment from Agent for any reason whatsoever. Without affecting Obligor's obligation to pay Payments, Administrative Charges or other amounts payable hereunder, Obligor may seek damages for a breach by Agent or any Obligees of its obligations under this LIS.

Section 4.6 Overdue Amounts. Obligor shall pay to Agent, on demand, interest at the rate per annum which is 1% above the Implicit Interest Rate in effect from time to time on any overdue amount of Payments, LIS Balance, Administrative Charge, Casualty Amount or any other payment due under this LIS and (to the extent permitted by applicable law) interest from the date due (not taking into account any grace period) until payment is made.

ARTICLE V POSSESSION, ASSIGNMENT, USE AND MAINTENANCE OF UNITS

Section 5.1 Possession and Use of Units; Compliance with Laws. Obligor agrees that the Units will be used and operated in compliance with any and all Applicable Laws and Regulations, provided, however, that Obligor may at its own expense, in good faith, contest the validity or application of any such Applicable Laws and Regulations pursuant to a Permitted Contest. Obligor shall procure and maintain in effect all licenses, registrations, certificates, permits, approvals and consents required by Applicable Laws and Regulations or any Authority in connection with the ownership, delivery, installation, use and operation of each Unit. The Units will at all times be and remain in the possession and control of Obligor, subject, however, to the terms of Section 5.2. The Units shall in no event be located outside of the continental limits of the United States without the prior written consent of Agent and the Required Obligees (not to be unreasonably withheld after Agent and the Obligees have received such assurances as Agent and the Required Obligees may reasonably require to assure that the interests of Agent and the Obligees hereunder, including

the security interests granted herein and perfected pursuant hereto, shall be adequately protected in any other jurisdiction where the Units will be located); provided, however, that so long as either (i) Obligor's long-term unsecured obligations are rated "A" or better by Standard & Poor's Corporation or "A2" or better by Moody's Investors Service, Inc., or (ii) Obligor shall have granted to Agent, for the benefit of the Obligees, a first priority perfected security interest in additional collateral securing its obligations hereunder in form and substance satisfactory to Agent and the Required Obligees and shall have provided such other assurances (including an opinion of counsel in form and substance reasonably satisfactory to the Required Obligees) as shall be reasonably requested by Agent or any Obligee, or (iii) solely in the case of the use of Units in Canada, Obligor shall, at its expense, take such actions and provide such assurances (including an opinion of counsel in form and substance reasonably satisfactory to the Required Obligees) as shall reasonably be requested by Agent or any Obligee and file, register and record such documents in each Province of Canada in which the Units may be used as, in the Agent's and any Obligee's reasonable judgment, are necessary or desirable in order to create, perfect, preserve and protect the Agent's and the Obligees' interest in the Units, Obligor may, without prior consent, use or cause the Units to be used in Mexico, in the case of clause (i) or (ii), and in Canada, in the case of clause (i), (ii) or (iii). Without the prior written consent of the Required Obligees (which shall be deemed given hereunder to permit the Corn Syrup Cars to carry corn syrup, the Flour Cars to carry flour, the New Vegetable Oil Cars, the Soybean Meal Cars and the Tallow Cars to carry vegetable oil, soybean meal or animal fats and the Gondola Cars to carry steel), Obligor shall not use any Unit, or permit any Unit to be used, for the transportation or storage of (i) any substance which is categorized as, or required to be labeled as, "poison" or "poisonous", "explosive" or "radioactive" (or any categories or labels substituted for such categories or labels as in effect on the day hereof) under 49 CFR 171 or other applicable Federal rules in effect from time to time regulating the transportation of hazardous materials or (ii) "hazardous substances," "hazardous materials" or "toxic substances" as such terms are defined under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, Transportation Act, 49 U.S.C. §9601, et seq, and The Resource Conservation and Recovery Act, 42 U.S.C. §6901 et seq.

Section 5.2 Subleases and Assignments. OBLIGOR SHALL NOT, WITHOUT THE PRIOR WRITTEN CONSENT OF AGENT AND THE REQUIRED OBLIGEES, SUBLEASE OR OTHERWISE RELINQUISH POSSESSION OF ANY UNIT, OR ASSIGN, TRANSFER OR ENCUMBER ITS RIGHTS, INTERESTS OR OBLIGATIONS HEREUNDER AND ANY ATTEMPTED SUBLEASE, RELINQUISHMENT, ASSIGNMENT, TRANSFER OR ENCUMBERING BY OBLIGOR SHALL BE NULL AND VOID, except, subject to the terms and conditions set forth in this Section 5.2, (w) in connection with interchange agreements, run-

through agreements, and assignments and subleases of less than 2 years as specifically contemplated by this Section 5.2, (x) as contemplated by the UK Conditional Sale and Lease Documents, (y) in connection with any assignment or sublease to a Subsidiary of which 80% or more of the securities or other ownership interests having ordinary voting power to elect directors or other Persons performing similar functions are at the time directly or indirectly owned by Obligor, or (z) pursuant to a transaction permitted under Section 13.1(b). So long as no Event of Default shall have occurred or be continuing, Obligor shall be entitled to the possession and use of the Units upon lines of railroad owned or operated by it or upon lines of railroad over which Obligor has trackage or other operating rights or over which railroad equipment of Obligor is operated pursuant to contract and shall be entitled to permit the use of the Units upon their being connected by other carriers in the usual interchange of traffic or pursuant to run-through agreements and to assign its rights to the Units or to sublease the Units, but only upon and subject to all the terms and conditions of this LIS, provided, however, that without the prior written consent of Agent and the Required Obligees (which shall not be unreasonably withheld), no such assignment or sublease permitted under this Section 5.2 (other than to a Subsidiary of Obligor or pursuant to the UK Conditional Sale Agreement and Lease Documents) shall involve more than 250 Units or be for a period in excess of the lesser of (a) the then remaining LIS Term, determined for this purpose assuming all Renewal Terms with respect to such Units are exercised, or (b) 2 years, and provided, further, that with respect to all subleases and assignments permitted under this Section 5.2, Obligor shall at all times remain primarily liable hereunder with respect to each Unit so assigned or subleased to the same extent as if such assignment or sublease had not occurred; and provided, further, that with respect to all subleases and assignments permitted under this Section 5.2, the Obligor shall not without the prior written consent of Agent and the Required Obligees assign or sublease the Units to, or permit the assignment or sublease of the Units to, or permit the assignment or sublease of the Units by, any Person (a) who, to the knowledge of any Officer of Obligor with operational responsibility, after reasonable inquiry, shall then be in default with respect to the payments of money under any instrument evidencing indebtedness or with respect to any liability for borrowed money or for the deferred purchase price of property if the aggregate amount of all such indebtedness, liabilities and purchase prices under or with respect to which such Person is then in default exceeds one-half of one percent (.50%) of such Person's net worth or capital and surplus, or (b) who shall then be engaged in any proceedings for relief under any bankruptcy or insolvency law or laws relating to the relief of debtors. Obligor may receive and retain compensation for the use of any of the Units from railroads or other entities so using such Units. Obligor agrees (I) that each sublease or assignment permitted by this Section 5.2, including any sublease or assignment to a directly or indirectly

wholly-owned Subsidiary of Obligor, and the UK Conditional Sale and Lease Documents (each such sublease, assignment and UK Conditional Sale and Lease Document a "Sublease") are subject and subordinate to this LIS and the rights and interests of Agent and the Obligees and (II) that each Sublease with a stated term, including all renewal terms, in excess of one year and each UK Conditional Sale and Lease Document (regardless of their stated terms) shall (a) expressly state that it is subject and subordinate to all of the provisions of this LIS and the rights and interests of Agent and the Obligees under this LIS in respect of the Units covered by such Sublease upon the occurrence of an Event of Default thereunder or hereunder, (b) expressly require the Units subject thereto to be returned as directed by the Agent or the Obligee upon notice to such assignee or sublessee that an Event of Default shall have occurred and be continuing and (c) expressly prohibit any further sublease or assignment of the Units subject thereto or the granting of any Lien on the Units subject thereto. All of Obligor's right, title and interest in, to and under each Sublease are hereby pledged by Obligor to Agent, as collateral for Obligor's obligations under this LIS, and Obligor shall, at its expense, do any further act and execute, acknowledge, deliver, file, register and record any further documents which Agent or any Obligee may reasonably request in order to create, perfect, preserve and protect Agent's security interest in such Sublease. Obligor shall, within fifteen (15) days after execution of any Sublease, deliver to Agent a fully executed copy of such Sublease.

Section 5.3 Maintenance. At all times during the term of this LIS, Obligor shall, at its own cost and expense, keep, repair, maintain and preserve each of the Units in at least as good order and operating condition, repair and appearance as when originally delivered, ordinary wear and tear excepted, in accordance with customary industry standards and the terms of all contracts (including, without limitation, service contracts and insurance contracts) at the time applicable thereto, in compliance with all management and monitoring obligations, and in compliance with all Applicable Laws and Regulations (and as necessary to qualify for interchange service in accordance with Interchange Rules), and in the event that Applicable Laws and Regulations require any alteration, replacement or addition of or to any Part on any Unit, Obligor will conform therewith at its own expense; provided, however, that Obligor may at its own expense, in good faith, contest the validity or application of any such Applicable Law or Regulation pursuant to a Permitted Contest. In no event shall the Obligor discriminate as to the use or maintenance of any Unit (including the periodicity of maintenance or recordkeeping in respect of such Unit) as compared to equipment of a similar nature which the Obligor owns or leases. Obligor shall prepare and deliver to Agent and the Obligees within a reasonable time prior to the required date of filing (or, to the extent permissible, file on

behalf of Agent and the Obligees) any and all reports (other than income tax returns) to be filed by Agent or any Obligee with any Authority by reason of the ownership by Agent or any Obligee of the Units or the leasing thereof to Obligor. Agent and each Obligee agrees to inform Obligor of any request for such reports received by it. Obligor shall maintain all records, logs and other materials required by the A.A.R., the United States Department of Transportation, or any other Authority having jurisdiction over the Units or the Obligor, to be maintained in respect of each Unit. Obligor hereby waives any right now or hereafter conferred by law to make repairs on the Units at the expense of Agent or any Obligee.

Section 5.4 Alterations, Modifications, etc. In case any Unit, or any item of equipment, part or appliance therein (each, a "Part") is required to be altered, added to, replaced or modified in order to comply with any Applicable Laws and Regulations (a "Required Alteration") pursuant to Sections 5.1 or 5.3 hereof, Obligor agrees to make such Required Alteration at its own expense. Obligor shall have the right to make any modification, alteration or improvement to the Units (herein referred to as a "Permitted Modification"), or to remove any Parts which have become worn out, broken or obsolete, provided in each case that Obligor continues to be in compliance with Sections 5.1 and 5.3 hereof and that such action (a) will not decrease the economic value of the Units or impair its originally intended use or function or decrease its useful life and (b) will not cause the Units to become suitable for use only by Obligor or only in the business in which Obligor is engaged. In the event any Permitted Modification (i) is readily removable without impairing the value or use which the Unit would have had at such time had such Part not been affixed or placed to or on such Unit (or if not readily removable without so impairing the value or use of such Unit, Obligor actually restores the value or use of such Unit to the value or use which the Unit would have had at such time had such Part not been affixed or placed to or on such Unit) (a "Removable Part"), (ii) is not a Required Alteration and (iii) is not a Part which replaces any Part originally incorporated or installed in or attached to such Unit on the date on which such Unit became subject to this LIS or any Part in replacement of or substitution for any such original Part (each an "Original Part"), any such Permitted Modification shall be and remain the property of Obligor. To the extent such Permitted Modification is not a Removable Part, or is a Required Alteration or an Original Part, the same shall immediately and automatically be and become the property of Agent, for the benefit of the Obligees, and subject to the terms of this LIS. Any Required Alterations, and any Parts installed or replacements made by Obligor upon any Unit pursuant to its obligation to maintain and keep the Units in good order, operating condition and repair under Section 5.3 shall be considered in each case, accessions to such Unit and title thereto and a security interest therein shall be

immediately and automatically vested in Agent, for the benefit of the Obligees.

Section 5.5 Liens. Obligor will not directly or indirectly create, incur, assume or suffer to exist any Lien (other than Permitted Liens) on or with respect to (i) any Unit or any Part thereof or any other Collateral, Agent's or any Obligee's title thereto, or any interest therein or (ii) this LIS or any of Agent's or any Obligee's interests hereunder. Obligor, at its own expense, will promptly pay, satisfy and otherwise take such actions as may be necessary to keep this LIS, each Unit and the other Collateral free and clear of, and to duly discharge or eliminate or bond in a manner satisfactory to Agent and the Required Obligees, any such Lien not excepted above if the same shall arise at any time. Obligor will notify Agent and each Obligee in writing promptly upon becoming aware of any Tax or other Lien (other than any Lien excepted above) that shall attach to the Units or any Unit, and of the full particulars thereof. Without limiting the foregoing, Obligor shall not assign or pledge any of its rights under any Sublease to any Person other than Agent, for the benefit of the Obligees.

Section 5.6 Identifying Numbers; Legend; Changes; Inspection. Obligor will cause each Unit to be kept numbered with the identification number applicable to such Unit as shall be set forth on Schedule I to the LIS Supplement to which such Unit is subject, and Obligor will, as promptly as possible, and at all times thereafter keep and maintain, plainly, distinctly, permanently and conspicuously marked on each side of each Unit, in letters not less than one inch in height, the words "SUBJECT TO A SECURITY AGREEMENT RECORDED WITH THE SURFACE TRANSPORTATION BOARD" or other appropriate words designated by Agent or the Required Obligees, with appropriate changes thereof and additions thereto as from time to time may be required by Applicable Laws and Regulations in order to protect Agent's right, title and interest, for the benefit of the Obligees, in such Unit. Obligor will replace promptly any such words which may be removed, defaced, obliterated or destroyed. The Obligor will not change the identification number of any Unit unless and until (i) a statement of new number or numbers to be substituted therefor shall have been delivered to Agent and the Obligees and filed, recorded and deposited by the Obligor in all public offices where this LIS shall have been filed, recorded and deposited or any financing statement has been filed in respect thereof and (ii) Obligor shall have furnished Agent and the Obligees an opinion of counsel in form and substance reasonably satisfactory to Agent and the Required Obligees to the effect that such statement has been so filed, recorded and deposited, such filing, recordation and deposit will protect the right, title and interest of Agent, on behalf of the Obligees in such Units and that no other filing, recording, deposit or giving of notice with or to any other Federal, state or local government or agency thereof is

necessary to protect such right, title and interest. The Units may be lettered with the names or initials or other insignia customarily used by the Obligor or its permitted sublessees but Obligor will not allow the name of any other Person to be placed on any Unit as designation that might be interpreted as a claim of legal ownership. Upon the request of Agent or the Required Obligees, Obligor shall make the Units available to Agent or the Obligee, its agents, or its assignees for inspection at reasonable times and at reasonable locations which do not require re-routing of the Units and upon reasonable notice and shall also make Obligor's records pertaining to the Units available for inspection, provided that from and after the occurrence of an Event of Default, all costs and expenses of the Agent or any Obligee in connection with such inspection shall be borne by the Obligor.

ARTICLE VI RISK OF LOSS; INSURANCE

Section 6.1 Casualty. If (A) any Unit shall be or become (i) lost, stolen, destroyed, irreparably damaged from any cause whatsoever, damaged beyond economic repair, or rendered permanently unfit for normal use for any reason whatsoever (other than obsolescence), including by reason of any defect in design or manufacture, in each such case in the Obligor's reasonable determination, which determination shall be made promptly after any such event, or (ii) damaged so as to result in an insurance settlement on the basis of a total loss or a constructive or compromised total loss, or (iii) taken or requisitioned by condemnation or otherwise or (B) as a result of any rule, regulation, order or other action of any Authority having jurisdiction, the use in normal operation of such Unit shall have been prohibited for a period of more than 180 consecutive days, or for a period extending beyond the term of this LIS for such Unit (any such occurrence being hereinafter called a "Casualty"), prior to or during the term of this LIS, Obligor shall give Obligees and Agent prompt notice thereof (a "Casualty Notice"). The Casualty Notice shall specify whether the Obligor will:

(a) pay to Agent, for the benefit of the Obligees, the Casualty Amount of the Unit suffering such Casualty, which payment shall be made no later than the next scheduled Payment Date occurring after such Casualty or, if such Casualty occurs during the last 5 Business Days prior to a Payment Date, then no later than the second Payment Date occurring after such Casualty (the "Casualty Settlement Date"), provided that in any event the Casualty Settlement Date shall be no later than the last day of the LIS Term for such Unit; or

(b) replace the Unit with respect to which the Casualty has occurred pursuant to the following provisions of this

Section 6.1, provided that upon the occurrence and during the continuance of an Event of Default or an Incipient Default, Obligor shall be obligated, at the option of the Required Obligees, to make the payments referred to in clause (a) above and shall not be entitled to exercise any right or election of replacement as set forth in this clause (b).

If Obligor has elected, or is required, to pay the Casualty Amount pursuant to clause (a) above, Obligor shall continue to make all Payments due under this LIS until and including the Casualty Settlement Date. Upon payment of the Casualty Amount in respect of any Unit suffering a Casualty on such Casualty Settlement Date, the remaining scheduled Payments, if any, specified in each of the Certificates and in the LIS Supplement to which such Unit suffering a Casualty is subject as well as the amount of the Supplement Balance, specified in each of the Certificates and in the LIS Supplement to which such Unit suffering a Casualty is subject, remaining following the payment of the final Basic Payment at the end of the LIS Term for the Units subject to such LIS Supplement (assuming the exercise of all possible Renewal Terms) shall each be reduced by an amount equal to the product of the scheduled amount of such Payment or such remaining Supplement Balance, as the case may be (determined in each case prior to the receipt of such Casualty Amount), multiplied by the Unit Value Fraction of the Unit suffering such Casualty.

If Obligor has given notice that it intends to replace the Unit suffering such Casualty, and such replacement is permitted under the foregoing clause (b), Obligor may substitute subject to this LIS, not more than 60 days after the date of such Casualty Notice, a railcar meeting the suitability standards hereinafter set forth. To be suitable as a replacement Unit, a railcar must be of the same general type, year of construction (or a later year of construction) function, utility, state of repair and operating condition as the Unit suffering the Casualty, must have a Fair Market Value of not less than the Fair Market Value (immediately preceding the Casualty assuming that such Unit had been maintained in accordance with the terms of Section 5.3) of the Unit suffering the Casualty and be free and clear of any Liens other than Permitted Liens. Obligor shall cause a Bill of Sale and LIS Supplement to be executed and delivered to Agent and the Obligees in order to subject such replacement railcar to this LIS and the LIS Supplement to which the replaced Unit was subject, and upon such execution and delivery and the receipt by Agent and the Obligees of (i) evidence reasonably satisfactory to them of Obligor's compliance with the insurance provisions of Section 6.2 with respect to such replacement railcar, and (ii) an opinion of a member of Obligor's Legal Department in form and substance reasonably satisfactory to them to the effect that such Bill of Sale and LIS Supplement have been filed, recorded and deposited in all public offices where this LIS shall have been filed, recorded

and deposited, that such filing, recordation and deposit will protect the right, title and interest of Agent, on behalf of the Obligees, in such replacement railcar and that no other filing, recording, deposit, or giving of notice with or to any other Authority is necessary to protect such right, title and interest in such replacement railcar, such replacement railcar shall be deemed a "Unit" for all purposes hereof.

If Agent has received the amount payable with respect to the Casualty and all other amounts due hereunder and no Event of Default or Incipient Default exists, Obligor shall be entitled to receive from Agent the proceeds of any recovery in respect of the Unit from insurance or otherwise ("Casualty Recoveries"), and Agent, subject to the rights of any insurer insuring the Units as provided herein, shall execute and deliver to Obligor, or to its assignee or nominee, a quitclaim bill of sale (without representations or warranties except that the Unit is free and clear of all Obligees Liens) for the Unit, and such other documents as may be required to release the Unit from the terms of this LIS, in such form as may reasonably be requested by Obligor. All fees, costs and expenses relating to a substitution as described herein shall be borne by Obligor. Except as otherwise provided in this Section 6.1, Obligor shall not be released from its obligations hereunder in the event of, and shall bear the risk of, any Casualty to any Unit prior to or during the term of this LIS with respect to such Unit and thereafter until all of Obligor's obligations hereunder are fully performed.

Any payments (including, without limitation, insurance proceeds) received at any time by Agent or Obligor from any Authority or other party with respect to any loss or damage to any Unit or Units not constituting a Casualty will be applied directly in payment of repairs or for replacement of property in accordance with the provisions of Sections 5.1 and 5.3, if not already paid by Obligor, or if already paid by Obligor and no Event of Default or an Incipient Default described in Section 8.1(a), 8.1(h) or 8.1(j) shall have occurred and be continuing, shall be applied to reimburse Obligor for such payment, and any balance remaining after compliance with said Sections with respect to such loss or damage shall be retained by Obligor. During the existence of an Incipient Default described in Section 8.1(a), 8.1(h) or 8.1(j), or any Event of Default, any such payments received by Agent shall be held by Agent as security for the obligations of Obligor under this LIS, and at such time as there shall not be continuing any such Event of Default or Incipient Default, such amount (unless theretofore otherwise applied to the obligations of Obligor hereunder) shall be paid over to Obligor.

OBLIGOR HEREBY ASSUMES ALL RISK OF LOSS, DAMAGE, THEFT, TAKING, DESTRUCTION, CONFISCATION, REQUISITION, COMMANDEERING, TAKING BY EMINENT DOMAIN OR CONDEMNATION, PARTIAL OR COMPLETE, OF

OR TO EACH UNIT, HOWEVER CAUSED OR OCCASIONED, SUCH RISK TO BE BORNE BY OBLIGOR WITH RESPECT TO EACH UNIT FROM THE DATE OF THIS LIS, AND CONTINUING UNTIL SUCH UNIT HAS BEEN RETURNED TO AGENT IN ACCORDANCE WITH THE PROVISIONS OF ARTICLE XVI. OBLIGOR AGREES THAT NO OCCURRENCE SPECIFIED IN THE PRECEDING SENTENCE SHALL IMPAIR, IN WHOLE OR IN PART, ANY OBLIGATION OF OBLIGOR UNDER THIS LIS, INCLUDING, WITHOUT LIMITATION, THE OBLIGATION TO MAKE PAYMENTS.

Section 6.2 Insurance Coverages. Obligor shall at all times, at its expense, cause to be carried and maintained with financially sound and reputable insurers (a) commercial general liability insurance with respect to the Units against third party personal injury and property damage in an amount no less than \$25,000,000 and (b) property insurance in respect of the Units at the time leased hereunder, said property insurance to be in amounts at least equal at all times to the aggregate outstanding LIS Balance computed as of the next succeeding Payment Date; provided, however, that Obligor may, in the case of property insurance, self-insure such Units to the extent that such self-insurance is (a) consistent with prudent industry practice and, in any event, (b) in an amount (considered in relation to the then current replacement value of such Units) no greater than the amount of self-insurance maintained with respect to other similar equipment, if any, then owned or leased by Obligor (considered in relation to the then current replacement value of such similar equipment); and provided, further, that insurance may provide for such deductibles as are (I) consistent with prudent industry practice and, in any event (II) in an amount no greater than the amount of deductibles allowed with respect to insurance maintained on other similar equipment; and provided, further, that so long as the consolidated net worth of the Obligor is not less than \$1,000,000,000 and no Event of Default shall have occurred and be continuing, Obligor may self-insure for commercial liability in an amount up to \$10,000,000. With respect to property insurance and general liability insurance, Obligor may self-insure for amounts in excess of \$10,000,000 with the prior written consent of Agent and the Required Obligees, which consent shall not be unreasonably withheld. Except as otherwise provided above, Obligor will carry such insurance in such amounts, for such risks and with such deductibles as are reasonably satisfactory to Agent and the Required Obligees and in any event consistent with prudent industry practice and at least comparable in amounts and against risks customarily insured against by the Obligor and corporations of established reputation engaged in the same or similar business as the Obligor. The proceeds of any such insurance shall be payable to Agent, for the benefit of the Obligees (pursuant to a standard mortgagee loss payable clause in the case of property insurance), and, so long as no Event of Default shall have occurred and be continuing, Obligor, as their respective interests may appear. All policies of insurance carried in accordance with this paragraph shall (i) require 30 days' prior notice to Agent and each Obligee of cancellation or expiration of

coverage, (ii) name Agent, for the benefit of the Obligees, as additional insureds or as loss-payees, as their respective interests may appear, and (iii) waive any right to claim any premiums or commission against Agent or the Obligee and any assignee. Such policies shall not require contributions from other policies held by Agent or the Obligees. If at any time Obligor shall be unable to obtain \$25,000,000 of liability insurance pursuant to the foregoing, then so long as Obligor's long-term unsecured obligations are rated "A" or better by Standard & Poor's Corporation or "A2" or better by Moody's Investors Service, Inc., Obligor shall not be required to maintain liability insurance of \$25,000,000; provided that, the Agent or any Obligee may request a certificate of an independent insurance broker stating that the amount of the insurance carried by Obligor is consistent with prudent industry practice and that liability insurance in excess of the amount then carried is commercially unavailable.

Section 6.3 Insurance Certificates. Prior to the Delivery Date, and thereafter not less than 15 days (to the extent such 15 day period may be practicable) prior to the expiration dates of the expiring policies theretofore delivered pursuant to Section 6.2, Obligor shall deliver to Agent and the Obligees certificates issued by the insurer(s) for the insurance maintained pursuant to Section 6.2; provided, however, that if the delivery of any certificate is delayed, Obligor shall not be deemed to be in violation of the obligation to deliver such certificate if, within such 15 day period, Obligor delivers an executed binder with respect thereto and thereafter delivers the certificate upon receipt thereof.

ARTICLE VII INDEMNIFICATION

Section 7.1 General Indemnification. Whether or not the transactions contemplated hereby are consummated Obligor hereby assumes liability for, and does hereby agree to indemnify, protect, save, defend, and hold harmless each Indemnatee (in accordance with Section 7.4) from and against any and all Claims of every kind and nature whatsoever, imposed on, incurred by, or asserted against any Indemnatee, which are not directly and primarily caused by the gross negligence, bad faith, fraud or willful misconduct of such Indemnatee or, solely in the case of Agent as an Indemnatee, its negligence in the handling of funds (provided that the indemnification provided under this Section 7.1 shall specifically include matters based on or arising from the ordinary negligence of any Indemnatee other than indemnification payable to Agent based on or arising from negligence by Agent in the handling of funds) and which relates in any way to or arises in any way out of (a) this LIS and the other Operative Documents, the transactions contemplated hereby and thereby, or the design, manufacture,

remanufacture, construction, rebuilding, ordering, purchase, acceptance or rejection, ownership, titling or retitling, registration or re-registration, delivery, leasing, subleasing, possession, use, operation, maintenance, repair, storage, removal, return, sale or other disposition of the Units or any Unit (including pursuant to Article XI), or any Part thereof, including, without limitation, any of such as may arise from (i) loss or damage to any property or death or injury to any Persons, (ii) patent or latent defects in the Units (whether or not discoverable by Obligor or any Indemnitee), (iii) any Claims based on strict liability in tort, (iv) any Claims related to the Release from any Unit of any substance into the environment, including (without limitation) Claims arising out of the use of any Unit for the transportation or storage of any Hazardous Material and (v) any Claims based on patent, trademark, tradename or copyright infringement, or (b) any failure on the part of Obligor to perform or comply with any of the terms of any Operative Document. In addition to the exclusions to indemnification specified in the preceding sentence, this indemnification shall not include any matters for which Indemnitees are indemnified under Section 7.2. Obligor shall give each indemnified party prompt notice of any occurrence, event or condition known to Obligor as a consequence of which any Indemnitee may be entitled to indemnification hereunder, except only that Obligor shall not be required pursuant to this Section 7.1 to indemnify any Indemnitee for any liability relating to the Units arising solely out of acts or events which occur after (x) return of the Units to Agent or the Obligees (and expiration of any storage period) pursuant to Article XVI (other than a return pursuant to Article VIII) or (y) a sale to a third party pursuant to Section 11.1. Unless Obligor is contesting any such Claim specified in clause (a) hereof in a manner reasonably satisfactory to the Indemnitee, Obligor shall forthwith upon demand of any such Indemnitee reimburse such Indemnitee for reasonable amounts expended by it in connection with any of the foregoing or pay such amounts directly. Obligor shall be subrogated to an Indemnitee's rights in any matter with respect to which Obligor has actually reimbursed such Indemnitee for amounts expended by it or has actually paid such amounts directly pursuant to this Section 7.1. In case any Claim is made or brought against any Indemnitee in connection with any Claim indemnified against hereunder, such Indemnitee will, promptly after receipt of notice of such Claim notify Obligor thereof, enclosing a copy of any papers served upon such Indemnitee, but failure to give such notice or to enclose such papers shall not relieve Obligor from any liability hereunder, unless such failure materially prejudices Obligor's defense of such Claim, or exonerate Indemnitee from any liability to Obligor for failure to give such notice. Obligor may, and upon such Indemnitee's request will, at Obligor's expense, resist and defend such Claim, or cause the same to be resisted or defended by counsel selected by Obligor and reasonably satisfactory to such Indemnitee and in the event of any failure by Obligor to do so, Obligor shall

pay all costs and expenses (including, without limitation, reasonable attorney's fees and expenses) incurred by such Indemnitee in connection with such Claim. The provisions of this Section 7.1, and the obligations of Obligor under this Section 7.1, shall apply from the date of the execution of this LIS notwithstanding that the LIS Term may not have commenced with respect to any Unit, and shall survive and continue in full force and effect notwithstanding the expiration or earlier termination of this LIS in whole or in part, and are expressly made for the benefit of, and shall be enforceable by, each Indemnitee.

Section 7.2 General Tax Indemnity. Obligor shall pay, defend and indemnify and hold each Indemnitee harmless (in accordance with Section 7.4) from any and all Federal, state, local and foreign Taxes, howsoever imposed, whether levied or imposed upon or asserted against any Indemnitee, any Unit, or any Part thereof, by any Federal, state or local government or taxing Authority in the United States, or by any taxing Authority or governmental subdivision of a foreign country, upon or with respect to (a) any Unit or any Part thereof, (b) the manufacture, construction, ordering, purchase, ownership, delivery, leasing, subleasing, re-leasing, possession, use, maintenance, registration, re-registration, titling, re-titling, licensing, documentation, return, repossession, sale or other application or disposition of any Unit or any Part thereof, (c) the rentals, receipts or earnings arising from the Units or any Unit or any Part thereof, or (d) this LIS, the Payments and other amounts payable by Obligor pursuant to this LIS, the Certificates or any other Operative Document; provided, however, that the foregoing indemnity shall not apply to (i) any franchise or business Taxes or Taxes based upon or measured by any Indemnitee's income, receipts, capital, net worth, excess profits or items of tax preference, including minimum taxes and withholding taxes measured by income (but not including any sales, use, transfer, property, ad valorem, excise, lease or other similar Tax) ("Income Taxes"), and which are imposed or levied by any Federal, state or local taxing Authority in the United States; (ii) Income Taxes which are imposed or levied on such Indemnitee by any taxing authority or other government subdivision of a foreign country other than by reason of the location or presence of the Units or Obligor (or any Affiliate thereof) in such jurisdiction; (iii) Taxes, including, without limitation, sales and transfer Taxes, attributable to any voluntary transfer by such Indemnitee (or transfer as a result of the bankruptcy or insolvency of such Indemnitee or liens or other claims against such Indemnitee unrelated to the transactions contemplated by this LIS) of any interest in the Units or any interest arising out of the Operative Documents unless such transfer shall have occurred in connection with, or as a result of, an Event of Default or otherwise pursuant to a transfer contemplated by this LIS (including, for example, exercise of a purchase option or termination right by Obligor (including the Sale Option), but not including any voluntary lender

assignment); (iv) Taxes imposed by any jurisdiction as a result of such Indemnitee's engaging in activities in such jurisdiction unrelated to the transactions contemplated by the Operative Documents, (v) Taxes imposed on an Indemnitee that result from any willful misconduct or gross negligence of such Indemnitee; (vi) except where there exists an Event of Default, Taxes that are attributable to any period beginning or circumstances occurring after the expiration or early termination of this LIS (but not any Taxes arising after expiration or early termination of this LIS which are attributable to any period before such expiration or early termination or any Taxes arising following a transfer contemplated by this LIS); (vii) Taxes imposed solely because of the status of such Indemnitee as a non-U.S. person; (viii) Taxes, including, without limitation, any excise Taxes or other impositions or penalties, payable as a result of such Indemnitee's participation in the transactions contemplated by the Operative Documents being deemed to result in a "prohibited transaction" by any party to this LIS within the meaning of Section 406 of ERISA or Section 4975 of the Code; and (ix) Taxes resulting from (a) the existence of any Liens created by such Indemnitee which are not expressly consented to by Obligor or otherwise provided for by the Operative Documents, or (b) any act or omission of such Indemnitee which act or omission is in violation in any material respect of any of the terms of the Operative Documents or is a breach in any material respect of any representation, warranty or covenant by such Indemnitee, except to the extent such violation or breach is a result of any act or omission by Obligor or a breach by Obligor of any of its obligations under any of the Operative Documents. Obligor will promptly notify Agent or the Obligee of all reports or returns required to be made with respect to any Tax with respect to which Obligor is required to indemnify hereunder, and will promptly provide Agent and the Obligees with all information necessary for the making and timely filing of such reports or returns by Agent or any Obligee. If Agent or any Obligee requests that any such reports or returns be prepared and filed by Obligor, Obligor will prepare and file the same if permitted by Applicable Laws and Regulations to file the same, and if not so permitted, Obligor shall prepare such reports or returns for signature by Agent or the applicable Obligee and shall forward the same, together with immediately available funds for payment of any Tax due, to Agent or such Obligee, at least ten (10) days in advance of the date such payment is to be made. Upon written request, Obligor shall furnish Agent or any Obligee with copies of all paid receipts or other appropriate evidence of payment for all Taxes paid by Obligor pursuant to this Section 7.2. All of the indemnities contained in this Section 7.2 shall continue in full force and effect notwithstanding the expiration or earlier termination of this LIS in whole or in part, including the termination of this LIS with respect to any Unit or all of the Units, and are expressly made for the benefit of, and shall be enforceable by, each Indemnitee. So long as payment of any Tax may be deferred during the pendency of

a Permitted Contest, Obligor's obligations under this Section 7.2 may be deferred during the pendency of such Permitted Contest. Each Indemnitee shall cooperate in a reasonable manner with such a Permitted Contest as determined by such Indemnitee in its sole judgment at the sole risk and cost of Obligor.

Section 7.3 Excessive Use Indemnity. In the event that at the end of the LIS Term with respect to the 15-Year Equipment or the 20-Year Equipment, as the case may be: (a) Obligor elects the Sale Option; and (b) after paying to Obligees any amounts due under Section 11.1(c), Proceeds and the applicable Sale Recourse Amount, the aggregate Supplement Balances for the 15-Year Equipment or the Supplement Balance for the 20-Year Equipment, as applicable, shall not have been reduced to zero, then Obligor shall promptly pay over to Obligees the shortfall unless Obligor delivers prior to the end of the LIS Term a report from the Appraiser in form and substance satisfactory to the Required Obligees which establishes that the decline in value in the Units from the aggregate amount anticipated for such date in the Appraiser's report delivered with respect to each Unit on the Delivery Date was not due to the excessive use of any Unit, failure to maintain any Unit (including in conformance with such maintenance and repair standards and procedures as are set forth in the manufacturer's manuals pertaining to the Units, and as otherwise may be required to enforce warranty claims against each vendor or manufacturer of each Unit), modifications or alterations which reduce the value of any Unit, any adverse change in the environmental condition of any Unit, or any defect or exception to title of any Unit.

Section 7.4 Gross Up. If an Indemnitee shall not be entitled to a corresponding and equal deduction with respect to any payment or Tax which Obligor is required to pay or reimburse under any other provision of this Article VII (each such payment or reimbursement under this Article VII, an "original payment") and which original payment constitutes income to such Indemnitee, then Obligor shall pay to such Indemnitee on demand the amount of such original payment on a gross-up basis such that, after subtracting all Taxes imposed on such Indemnitee with respect to such payment by Obligor (including any Taxes otherwise excluded from the indemnification provided under Section 7.2 and assuming for this purpose that such Indemnitee was subject to taxation at the applicable Federal, state or local marginal rates used to compute such Indemnitee's tax return for the year in which such income is taxable), such payments shall be equal to the original payment to be received (net of any credits, deductions or other tax benefits then actually recognized that arise from the payment by such Indemnitee of any amount, including taxes, for which the payment to be received is made).

ARTICLE VIII
EVENTS OF DEFAULT; REMEDIES

Section 8.1 Events of Default. The following shall constitute events of default (each an "Event of Default") hereunder:

(a) any payment of Payments, LIS Balance, Supplement Balance, Administrative Charge or any other payment payable by Obligor hereunder or under any other Operative Document (including without limitation, any amount payable pursuant to Article VII) shall not be paid when due, and, in the case of any amount payable on a date that is not a Termination Date, such payment shall be overdue for a period of 3 Business Days; or

(b) Any representation or warranty of Obligor contained herein or in any document furnished to any Obligees or Agent in connection herewith is incorrect, incomplete or misleading in any material respect when made or reaffirmed, as the case may be; or

(c) Obligor shall default in the performance or observance of any term, covenant, condition or agreement on its part to be performed or observed under Section 5.2, Section 6.2, Article XI, or Section 13.1(b) or (i); or

(d) Obligor shall default in any material respect in the performance or observance of any other term, covenant, condition or agreement on its part to be performed or observed hereunder or under any other Operative Document (and not constituting an Event of Default under any other clause of this Section 8.1), and such default shall continue unremedied for a period of 30 days after the earlier to occur of (i) written notice thereof by Agent or any Obligees to Obligor or (ii) a Responsible Officer of Obligor obtaining knowledge thereof; or

(e) an assignment by Obligor or any Restricted Subsidiary for the benefit of creditors or an admission in writing by Obligor or any Restricted Subsidiary of its inability to pay its debts generally as they become due; or

(f) any order, judgment or decree is entered adjudicating Obligor or any Restricted Subsidiary bankrupt or insolvent; or

(g) the filing of any petition or application by Obligor or any Restricted Subsidiary with any tribunal for the appointment of a trustee, receiver or liquidator of Obligor or any Restricted Subsidiary, or of any substantial part of the

assets of Obligor or any Restricted Subsidiary, or the commencement of any proceedings (other than proceedings for the voluntary liquidation and dissolution of a Restricted Subsidiary) relating to Obligor or any Restricted Subsidiary under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect; or

(h) the filing of any petition or application, or the commencement of any proceedings, against Obligor or any Restricted Subsidiary, or any order, judgment or decree is entered, appointing any such trustee, receiver or liquidator, or approving the petition in any such proceedings, and such order, judgment or decree remains unstayed and in effect for more than 60 days; or

(i) default, after any applicable grace period, by Obligor or any Restricted Subsidiary, if the effect of such default is to cause such obligation to become due prior to its stated maturity (A) in the payment of principal or interest on any of its indebtedness outstanding which is more than \$50,000,000 in principal amount, (B) in the making of any payment due under any guarantee of indebtedness outstanding which is more than \$50,000,000 in principal amount or of a capitalized lease of any other Person for which the principal portion of such capitalized lease is more than \$50,000,000 in principal amount, (C) in the performance under any capitalized lease, under which Obligor is lessee, involving a principal portion of such capitalized lease of more than \$50,000,000 or (D) in the performance of any other agreement, term or condition contained in any agreement, instrument or lease under which any such indebtedness, guaranty or lease shall be outstanding; or

(j) any final judgment or judgments for the payment of money aggregating in excess of \$50,000,000 is or are outstanding against Obligor or any Restricted Subsidiary or against any property or assets of either and any one of such judgments has remained unpaid, unvacated, unbonded or unstayed by appeal or otherwise for a period of 60 days from the date of its entry.

Section 8.2 Remedies; Rescission and Annulment. If any Event of Default exists, Agent shall have the rights, options and remedies of a secured party under the UCC (regardless of whether the UCC or a law similar thereto has been enacted in a jurisdiction wherein the rights or remedies are asserted), and, without limiting the foregoing, Agent also may exercise in any order one or more or all of the following remedies (it being understood that no remedy herein conferred is intended to be exclusive of any other remedy or remedies, but each and every remedy shall be cumulative and shall

be in addition to every other remedy given herein or now or hereafter existing at law or in equity or by statute): (i) terminate this LIS by notice in writing to Obligor, but Obligor shall remain liable as hereinafter provided; (ii) declare the entire outstanding LIS Balance to be due and payable, together with accrued unpaid Payments, any Applicable Administrative Charge, and any other amounts payable under the Operative Documents; (iii) enforce the security interest given hereunder pursuant to the UCC or any other law; (iv) enter upon the premises where any of the Collateral may be and take possession of all or any of such Collateral; (v) proceed by appropriate court action or actions either at law or in equity, to enforce performance by Obligor of the applicable covenants of this LIS or to recover damages for the breach thereof; and (vi) require Obligor to assemble and return the Units as provided in Article XVI.

Notwithstanding the foregoing,

(a) if any Event of Default described in Section 8.1(a) shall have occurred and be continuing, any Obligees may, by notice to Obligor, declare the then outstanding LIS Balance to be due and payable, and upon such declaration such LIS Balance shall become due and payable, together with the interest component of all accrued unpaid Payments, any Applicable Administrative Charge, and any other amounts accrued and payable under the Operative Documents; and

(b) if any Event of Default described in Section 8.1(e) or (f) shall have occurred and be continuing, then the entire outstanding LIS Balance, any Applicable Administrative Charge, and all accrued Payments and other amounts payable under the Operative Documents shall automatically and immediately become due and payable, without presentment, demand, notice, declaration, protest or other requirements of any kind, all of which are hereby expressly waived.

The provisions of this Section 8.2 are subject to the condition that if the outstanding LIS Balance has been declared immediately due and payable by an Obligees holding Certificates representing less than 33-1/3% of the then outstanding LIS Balance pursuant to paragraph (a) above solely by reason of the occurrence of a Payment Default, so long as no judgment or decree has been entered for the payment of any monies due pursuant to this LIS, the Required Obligees may, by written notice given to Agent and Obligor, rescind and annul such declaration and the consequences thereof. If the declaration of a Payment Default has been rescinded or annulled as provided in the preceding sentence, such Payment Default may thereafter be declared only by Agent upon the direction of the Required Obligees. Any such rescission or annulment shall not affect the right of any Obligees or Agent to declare any other Event of Default (including any other Payment

Default) or to exercise a remedy in accordance with the terms and conditions of this LIS.

Section 8.3 Sale of Collateral. In addition to the remedies set forth in Section 8.2, if any Event of Default shall occur, Agent may, but is not required to, sell the Collateral in one or more sales. Any Obligee and Agent may purchase all or any part of the Collateral at such sale. Obligor acknowledges that sales for cash or on credit to a wholesaler, retailer or user of such Collateral, or at public or private auction, are all commercially reasonable. Any notice required by law of intended disposition by Agent shall be deemed reasonably and properly given if given at least 10 days before such disposition.

Section 8.4 Application of Proceeds. The proceeds of such sale or exercise of other remedies shall be applied in the following order:

(a) First, to the payment of costs and expenses of each Obligee and Agent in exercising remedies, including expenses of foreclosure or suit, if any, and of any sale, and of all other proper fees, expenses, liabilities and advances (including reasonable legal expenses and attorneys' fees) of each Obligee and Agent and of all taxes, assessments or liens superior to the lien of these presents, except any taxes, assessments or superior lien subject to which any sale of Collateral may have been made;

(b) Second, to the other amounts, except those specified in clause (c) below, which under the terms of this LIS have accrued;

(c) Third, to Obligees in accordance with Section 10.1 to the extent of the aggregate outstanding LIS Balance, plus any due but unpaid Administrative Charge or Payments, plus any unpaid interest accruing because of the late payment of the LIS Balance or any Administrative Charge to the date of distribution; and

(d) Fourth, to the payment of the surplus, if any, to whomsoever may be lawfully entitled to receive the same (including the Obligor), or, if no other Person is lawfully entitled to such surplus, to Obligor.

If there is a deficiency in any amounts due hereunder after Agent has exercised remedies, Obligor will promptly pay the same to Agent.

Section 8.5 Right to Perform Obligations. If Obligor fails to perform any of its agreements contained herein, whether or not an Event of Default exists, Agent, after 10 days notice (or at any

time during the existence of an Event of Default) may perform such agreement, and the fees and expenses incurred by Agent in connection with such performance together with interest thereon shall be payable by Obligor upon demand. Interest on fees and expenses so incurred by Agent shall accrue as provided in Section 4.6 from the date such expense is incurred until paid in full.

Section 8.6 Power of Attorney. Obligor unconditionally and irrevocably appoints Agent as its true and lawful attorney-in-fact, with full power of substitution, to the extent permitted by applicable law, in its name and stead and on its behalf, for the purpose of effectuating any sale, assignment, transfer or delivery hereunder, if an Event of Default occurs, whether pursuant to foreclosure or power of sale or otherwise, and in connection therewith to execute and deliver all such deeds, bills of sale, assignments, releases (including releases of this LIS on the records of any Authority) and other proper instruments as Agent may reasonably consider necessary or appropriate. Obligor ratifies and confirms all that such attorney or any substitute shall lawfully do by virtue hereof. If requested by Agent or any purchaser, Obligor shall ratify and confirm any such lawful sale, assignment, transfer or delivery by executing and delivering to Agent or such purchaser, all deeds, bills of sale, assignments, releases and other proper instruments to effect such ratification and confirmation as may be designated in any such request.

ARTICLE IX AGENT

Section 9.1 Appointment of Agent; Powers and Authorization to Take Certain Actions.

(a) Each Obligee irrevocably appoints and authorizes Norwest Bank Minnesota, National Association, to act as its agent hereunder, with such powers as are specifically delegated to Agent by the terms hereof, together with such other powers as are reasonably incidental thereto. Each Obligee authorizes and directs Agent to, and Agent agrees for the benefit of the Obligees, that, on the Delivery Date it will accept the documents described in Article III of this LIS. Agent accepts the agency hereby created applicable to it and agrees to receive all payments and proceeds pursuant to the Operative Documents and disburse such payments or proceeds in accordance with the Operative Documents. Agent shall have no duties or responsibilities except those expressly set forth in this LIS. Agent shall not be responsible to any Obligee (or to any other Person) (i) for any recitals, statements, representations or warranties of any party contained in this LIS, or in any certificate or other document referred to or provided for in, or received by any of them under, the

Operative Documents, other than the representations and warranties made by Agent in Section 12.3, or (ii) for the value, validity, effectiveness, genuineness, enforceability or sufficiency of the Collateral or the title thereto (subject to Agent's obligations under Section 13.2) or any other document referred to or provided for herein or (iii) for any failure by any Obligor, Obligee or any other third party (other than Agent) to perform any of its obligations under any Operative Document. Agent may employ agents, trustees or attorneys-in-fact, may vest any of them with any property, title, right or power deemed necessary for the purposes of such appointment and shall not be responsible for the negligence or misconduct of any of them selected by it with reasonable care. Neither Agent nor any of its directors, officers, employees or agents shall be liable or responsible for any action taken or omitted to be taken by it or them hereunder, or in connection herewith, except for its or their own gross negligence or willful misconduct.

(b) Agent shall not have any duty or obligation to manage, control, use, operate, store, lease, sell, dispose of or otherwise deal with any Unit, any other Collateral or this LIS, or to otherwise take or refrain from taking any action under, or in connection with, this Agreement or any related document to which Agent is a party, except as expressly provided by the terms hereof, and no implied duties of any kind shall be read into any Operative Document against Agent. The permissive right of Agent to take actions enumerated in this Agreement or any other Operative Document shall never be construed as a duty, unless Agent is instructed or directed to exercise, perform or enforce one or more rights by the Required Obligees (provided that Agent has received indemnification (which shall not require the posting of a bond or the grant of security directly by any Obligee for the benefit of Agent) reasonably satisfactory to it). Subject to Section 9.1(c) below, no provision of the Operative Documents shall require Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its obligations under the Operative Documents, or in the exercise of any of its rights or powers thereunder. It is understood and agreed that the duties of Agent are ministerial in nature.

(c) Except as specifically provided herein, Agent is acting hereunder solely as agent and, except as specifically provided herein, is not responsible to any party hereto in its individual capacity, except with respect to any claim arising from Agent's gross negligence or willful misconduct, any breach of a representation or covenant made in its individual capacity or, in the case of Agent's handling of funds, failure

to act with the same care as Agent uses in handling its own funds.

(d) Agent may accept deposits from, lend money to and otherwise deal with Obligor or any of its Affiliates with the same rights as it would have if it were not the named Agent hereunder.

Section 9.2 Reliance. Agent may rely upon, and shall not be bound or obligated to make any investigation into the facts or matters stated in, any certificate, notice or other communication (including any communication by telephone, telecopy, telex, telegram or cable) reasonably believed by it to be genuine and correct and to have been made, signed or sent by or on behalf of the proper Person or Persons, and upon advice and statements of legal counsel, independent accountants and other experts selected by Agent with due care (including any expert selected by Agent to aid Agent in any calculations required in connection with its duties under the Operative Documents).

Section 9.3 Action Upon Instructions Generally. Subject to Sections 9.4 and 9.6, upon written instructions of the Required Obligees, Agent shall, on behalf of the Obligees, give such notice or direction, exercise such right, remedy or power hereunder or in respect of any Unit, and give such consent or enter into such amendment to any document to which it is a party as Agent as may be specified in such instructions. Agent shall deliver to each Obligee a copy of each notice, report and certificate received by Agent pursuant to the Operative Documents. Agent shall have no obligation to investigate or determine whether there has been an Event of Default or an Incipient Default. Agent shall not be deemed to have notice or knowledge of an Event of Default or Incipient Default unless a Responsible Officer of Agent is notified in writing of such Event of Default or Incipient Default, provided that Agent shall be deemed to have been notified in writing of any failure of Obligor to make Payments in the amounts and at the times set forth in Article IV. If Agent receives notice of an Event of Default, Agent shall give prompt notice thereof, at Obligor's expense, to each Obligee. Subject to Sections 9.4, 9.6 and 17.5, Agent shall take action or refrain from taking action with respect to such Event of Default as directed by the Required Obligees or, solely to the extent of declaring the outstanding LIS Balance to be immediately due and payable in the case of a Payment Default, as directed by any Obligee or, in the case of rescission or annulment pursuant to the last paragraph of Section 8.2, as directed by the Required Obligees; provided that, unless and until Agent receives such directions, Agent may refrain from taking any action, or may act in its discretion, with respect to such Event of Default or Payment Default. Prior to the date the LIS Balance shall have become due and payable by acceleration pursuant to Section 8.2, the Required Obligees may deliver written instructions to Agent to

waive, and Agent shall waive pursuant thereto, any Event of Default and its consequences; provided that in the absence of written instructions from all Obligees, Agent shall not waive any (i) Payment Default or (ii) covenant or provision which, under Section 17.5, cannot be modified or amended without the consent of all Obligees. As to any matters not expressly provided for by this LIS, Agent shall in all cases be fully protected in acting, or in refraining from acting, hereunder in accordance with instructions signed by the Required Obligees and such instructions of the Required Obligees and any action taken or failure to act pursuant thereto shall be binding on each Obligee.

Section 9.4 Indemnification. Each Obligee shall reimburse and hold Agent harmless, ratably in accordance with its Participation Percentage at the time the indemnification is required to be given (but only to the extent that any such indemnified amounts have not in fact been paid to Agent by, or on behalf of, Obligor in accordance with Section 7.1 or 8.4), from any and all claims, losses, damages, obligations, penalties, liabilities, demands, suits, judgments, or causes of action, and all legal proceedings, and any reasonable costs or expenses in connection therewith, including allocated charges, costs and expenses of internal counsel of Agent and all other reasonable attorneys' fees and expenses incurred by Agent, in any way relating to or arising in any manner out of (i) any Operative Document, the enforcement hereof or thereof or the consummation of the transactions contemplated thereby, or (ii) instructions from the Required Obligees (including, without limitation, the costs and expenses that Obligor is obligated to and does not pay hereunder, but excluding normal administrative costs and expenses incident to the performance by Agent of its agency duties hereunder other than materially increased administrative costs and expenses incurred as a result of an Event of Default), provided that no Obligee shall be liable for any of the foregoing to the extent they arise from (a) the gross negligence or willful misconduct of Agent, (b) the inaccuracy of any representation or warranty or breach of any covenant given by Agent in Section 12.3 or Section 13.2, (c) in the case of Agent's handling of funds, the failure to act with the same care as Agent uses in handling its own funds or (d) any taxes, fees or other charges payable by Agent based on or measured by any fees, commissions or compensation received by it for acting as Agent in connection with the transactions contemplated by the Operative Documents.

Section 9.5 Independent Credit Investigation. Each Obligee by entering into this LIS agrees that it has, independently and without reliance on Agent or any other Obligee and based on such documents and information as it has deemed appropriate, made its own credit analysis of Obligor and its own decision to enter into this LIS and each of the other Operative Documents to which it is a party and that it will, independently and without reliance upon

Agent or any other Obligee and based on such documents and information as it shall deem appropriate at the time, continue to make its own analysis and decisions in taking action under this Agreement and any related documents to which it is a party. Agent shall not be required to keep itself informed as to the performance or observance by Obligor of any other document referred to (directly or indirectly) or provided for herein or to inspect the properties or books of Obligor. Except for notices or statements which Agent is expressly required to give under this Agreement and for notices, reports and other documents and information expressly required to be furnished to Agent alone (and not also to each Obligee, it being understood that Agent shall forward copies of same to each Obligee) hereunder or under any other Operative Document, Agent shall not have any duty or responsibility to provide any Obligee with copies of notices or with any credit or other information concerning the affairs, financial condition or business of Obligor (or any of its Affiliates) that may come into the possession of Agent or any of its Affiliates.

Section 9.6 Refusal to Act. Except for notices and actions expressly required of Agent hereunder and except for the performance of its covenants in Section 13.2, Agent shall in all cases be fully justified in failing or refusing to act unless (a) it is indemnified to its reasonable satisfaction by Obligees against any and all liability and reasonable expense which may be incurred by it by reason of taking or continuing to take any such action (provided that the Obligees shall not be required to directly post for the benefit of Agent a bond or grant security in connection with such indemnity and such indemnity shall not be required to extend to liability or expense arising from any matter described in clauses (a) through (d) of Section 9.4, it being understood that no action taken by Agent in accordance with the instructions of the Required Obligees shall be deemed to constitute any such matter) and (b) it is reasonably satisfied that such action is not contrary to any Operative Document or to any applicable law.

Section 9.7 Resignation or Removal of Agent; Appointment of Successor. Subject to the appointment and acceptance of a successor Agent as provided below, Agent may resign at any time by giving notice thereof to each Obligee and Obligor or may be removed at any time by written notice from the Required Obligees. Upon any such resignation or removal, the Required Obligees at the time of the resignation or removal shall have the right to appoint a successor Agent which shall be a financial institution having a combined capital and surplus of not less than \$250,000,000. If, within 30 calendar days after the retiring Agent's giving of notice of resignation or receipt of a written notice of removal, a successor Agent is not so appointed and does not accept such appointment, then the retiring or removed Agent may appoint a successor Agent and transfer to such successor Agent all rights and

obligations of the retiring Agent. Such successor Agent shall be a financial institution having combined capital and surplus of not less than \$250,000,000. Upon the acceptance of any appointment as Agent hereunder by a successor Agent, such successor Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring or removed Agent and the retiring or removed Agent shall be discharged from duties and obligations as Agent thereafter arising hereunder and under any related document. If the retiring Agent does not appoint a successor, any Obligee shall be entitled to apply to a court of competent jurisdiction for such appointment, and such court may thereupon appoint a successor to act until such time, if any, as a successor shall have been appointed as above provided.

Section 9.8 Separate Agent. The Required Obligees may, and if they fail to do so at any time when they are so required, Agent may, for the purpose of meeting any legal requirements of any jurisdiction to which any Unit or Collateral may be subject, appoint one or more individuals or corporations either to act as co-agent jointly with Agent or to act as separate agent of all or any part of the Collateral, and vest in such individuals or corporations, in such capacity, such title to such Collateral or any part thereof, and such rights or duties as Agent may consider necessary or desirable. Agent shall not be required to qualify to do business in any jurisdiction where it is not now so qualified. Agent shall execute, acknowledge and deliver all such instruments as may be required by any such co-agent or separate agent more fully confirming such title, rights or duties to such co-agent or separate agent. Upon the acceptance in writing of such appointment by any such co-agent or separate agent, it, she or he shall be vested with such interest in the Collateral or any part thereof, and with such rights and duties, not inconsistent with the provisions of the Operative Documents, as shall be specified in the instrument of appointment, jointly with Agent (except insofar as local law makes it necessary for any such co-agent or separate agent to act alone), subject to all terms of the Operative Documents. Any co-agent or separate agent, to the fullest extent permitted by legal requirements of the relevant jurisdiction, at any time, by an instrument in writing, shall constitute Agent its attorney-in-fact and agent, with full power and authority to do all acts and things and to exercise all discretion on its behalf and in its name. If any co-agent or separate agent shall die, become incapable of acting, resign or be removed, the interest in the Collateral and all rights and duties of such co-agent or separate agent shall, so far as permitted by law, vest in and be exercised by Agent, without the appointment of a successor to such co-agent or separate agent.

Section 9.9 Termination of Agency. The agency created hereby shall terminate upon the final disposition by Agent of all Collateral at any time subject hereto and the final distribution by

Agent of all monies or other property or proceeds received pursuant to the Operative Documents in accordance with their terms, provided that at such time Obligor shall have complied fully with all the terms hereof.

Section 9.10 Compensation of Agency. Obligor shall pay Agent its reasonable fees, costs and expenses for the performance of Agent's obligations hereunder.

Section 9.11 Limitations. It is expressly understood and agreed by and among the parties hereto that, except as otherwise provided herein or in the other Operative Documents: (a) this LIS and the other Operative Documents to which Agent is a party are executed by Agent, not in its individual capacity (except with respect to the representations and covenants of Agent in Sections 12.3 and 13.2), but solely as Agent under the Operative Documents in the exercise of the power and authority conferred and vested in it as such Agent; (b) each and all of the undertakings and agreements herein made on the part of Agent are each and every one of them made and intended not as personal undertakings and agreements by Agent, or for the purpose or with the intention of binding Agent personally, but are made and intended for the purpose of binding only the Collateral unless expressly provided otherwise; (c) actions to be taken by Agent pursuant to its obligations under the Operative Documents, may, in certain circumstances, including the exercise of remedies pursuant to Section 8.2, be taken by Agent only upon specific authority of the Obligees; (d) nothing contained in the Operative Documents shall be construed as creating any liability on Agent, individually or personally, or any incorporator or any past, present or future subscriber to the capital stock of, or stockholder, officer or director, employee or agent of, Agent to perform any covenants either express or implied contained herein, all such liability, if any, being expressly waived by the other parties hereto and by any Person claiming by, through or under them; and (e) so far as Agent, individually or personally, is concerned, the other parties hereto and any Person claiming by, through or under them shall look solely to the Collateral and Obligor for the performance of any obligation under any of the instruments referred to herein; provided, however, that nothing in this Section 9.11 shall be construed to limit in scope or substance the general corporate liability of Agent in respect of its gross negligence or willful misconduct or those representations, warranties and covenants of Agent in its individual capacity set forth herein or in any of the other agreements contemplated hereby.

**ARTICLE X
DISTRIBUTIONS TO OBLIGEES**

All amounts of money received or realized by Agent pursuant to this LIS which are to be distributed to any Obligee (as distinguished from Obligor or any other Person) shall be distributed as follows:

Section 10.1 Pro-Rata Distribution. All distributions by Agent of amounts payable to Obligees pursuant to this LIS and the other Operative Documents (including amounts distributable pursuant to Section 8.4(c)) shall be made to the Obligees pro-rata in accordance with their respective Participation Percentages, without preference or priority of any Obligee over another, and in case moneys are insufficient to pay in full the whole amount due, owing or unpaid to Obligees, then application shall be made first to any unpaid accrued interest pursuant to Section 4.6, second to any unpaid Administrative Charge, and third to any accrued unpaid Payments and the LIS Balance.

Section 10.2 Timing of Distributions. The amounts payable by Agent to Obligees pursuant to this LIS will be payable upon Agent's receipt of such amounts pursuant to this LIS as provided in Section 4.4, in immediately available funds.

**ARTICLE XI
LIS TERMINATION**

Section 11.1 Obligor's Options. Not later than 180 days prior to the last day of the Base Term and any Renewal Term, Obligor shall, by delivery of written notice to Agent and the Obligees, exercise one of the following options with respect to each of the 15-Year Equipment and the 20-Year Equipment (provided that paragraph (a) below shall not be applicable or available in the fourteenth Renewal Term, in the case of the 15-Year Equipment, and the nineteenth Renewal Term, in the case of the 20-Year Equipment), subject to the requirements and limitations of Section 11.2:

(a) renew this LIS with respect to such Units for an additional one year Renewal Term, on the terms and conditions set forth herein and in the other Operative Documents (the "Renewal Option"); or

(b) purchase such Units for cash for the Option Exercise Amount applicable to such Units on the last day of the Base Term or Renewal Term with respect to which such option is exercised (the "Purchase Option"); or

(c) sell such Units on behalf of the Obligees for cash to a purchaser or purchasers not in any way affiliated with Obligor on the last day of the Base Term or of any Renewal Term then in effect with respect to which such option is exercised (the "Sale Option"). Simultaneously with a sale pursuant to a Sale Option, Obligor shall pay to Agent, as Supplemental Payments for the benefit of the Obligees, from the gross proceeds of the sale of the Units, without deductions or expense reimbursements (the "Proceeds"), the outstanding LIS Balance as of the Termination Date (as determined after any payment of Basic Payments on such date). If the Proceeds exceed the sum of the outstanding LIS Balance plus all other amounts payable by Obligor in connection with a Sale Option, Obligor will retain the portion of the Proceeds in excess thereof. If the Proceeds are less than the aggregate outstanding LIS Balance, Obligor will pay or will cause to be paid to Agent, as Supplemental Payments for the benefit of the Obligees, on such Termination Date, in addition to the Proceeds, the Sale Recourse Amount, it being understood, however, that the amount payable pursuant to this Section 11.1(c) shall in no event be construed to limit any other obligation of Obligor under the Operative Documents, including, without limitation, pursuant to Article VII and Sections 11.3, 11.4, 11.5 and 17.1. The "Sale Recourse Amount" shall be, at the option of the Required Obligees, (x) the Applicable Percentage Amount or (y) the Recourse Deficiency Amount; provided, however, that in no event shall the Sale Recourse Amount exceed the LIS Balance (after taking into account all Basic Payments and Proceeds applied against the LIS Balance on such Termination Date). Agent, on behalf of the Obligees, shall notify Obligor in writing not later than five Business Days prior to the Termination Date whether the Sale Recourse Amount shall be determined pursuant to clause (x) or clause (y) of the preceding sentence. In addition to the amount determined to be payable by Obligor pursuant to the foregoing provisions of this Section 11.1(c), Obligor shall pay to Agent, for the benefit of the Obligees, the Applicable Administrative Charge, if any, on the sum of the Proceeds, the Sale Recourse Amount, any amount payable pursuant to the last sentence of Section 11.4 and any amount payable with respect to a Sale Option pursuant to Section 11.5(b). The obligation of Obligor to pay the amounts determined pursuant to this Section 11.1(c) and Sections 11.4 and 11.5(b) shall be a recourse obligation of Obligor and shall be payable on the Termination Date. All amounts paid to Agent pursuant to this Section 11.1(c) shall be distributed in accordance with Article X.

Section 11.2 Election of Options. Obligor's election of a Purchase Option will be irrevocable at the time made, but if Obligor fails to make a timely election, Obligor will be deemed, in

the case of the Base Term and each Renewal Term then in effect, to have irrevocably elected the Renewal Option, except in the case of the last Renewal Term with respect to the 15-Year Equipment or the 20-Year Equipment, as the case may be, in which case Obligor will be deemed to have irrevocably elected the Purchase Option. In addition to the foregoing, with respect to the options being exercised pursuant to Section 11.1, during the Base Term or during any of the first thirteen Renewal Terms, Obligor shall exercise or be deemed to have exercised the same option under Section 11.1 with respect to both the 15-Year Equipment and the 20-Year Equipment and during the fourteenth Renewal Term, if Obligor exercises a Sale Option, then the Sale Option must be exercised with respect to both the 15-Year Equipment and the 20-Year Equipment. Furthermore, a Sale Option shall automatically be revoked if there exists an Incipient Default or Event of Default at any time after such Sale Option is properly elected and Agent shall be entitled to exercise all rights and remedies provided in Article VIII. Obligor may not elect a Sale Option if there exists on the date the election is made an Event of Default or an Incipient Default.

Section 11.3 Sale Option Procedures. If Obligor elects a Sale Option, Obligor shall use its best commercial efforts to obtain the highest all cash purchase price for the Units subject to this LIS. All costs related to such sale and delivery, including the cost of sales agents, removal of the Units, delivery of documents and Units to any location designated by a buyer within the continental United States and, to the extent that the Units are located and used in Canada or Mexico at or after the election of a Sale Option, within Canada or Mexico, respectively, certification and testing of the Units in any location chosen by the buyer or prospective buyer, legal costs, costs of notices, any advertisement or other similar costs or other information and of any parts shall be borne entirely by Obligor, without regard to whether such costs were incurred by Agent, Obligor or any potentially qualified buyer, and shall in no event be paid from any of the Proceeds. Neither Agent nor any Obligee shall have any responsibility for procuring any purchaser. If, nevertheless, Agent, at the direction of the Required Obligees, or any Obligee, undertakes any sales efforts, Obligor shall promptly reimburse Agent and/or any such Obligee for any charges, costs and expenses incurred in such effort, including any allocated time charges, costs and expenses of internal counsel or other attorneys' fees. Upon a sale pursuant to the Sale Option, the Units shall be in the condition required by Section 5.3 and shall be free and clear of all Liens (including Permitted Liens). Agent (A) at the direction of the Required Obligees, shall determine whether to accept the highest all cash offer for the Units, which determination shall be made by the Required Obligees, and (B) if accepted by the Required Obligees, shall sell such Units in accordance with the terms of such offer to the buyer submitting such offer. If, within 45 days prior to the Termination Date relating to a Sale Option, Obligor has not obtained an all cash

purchase price for the Units acceptable to the Required Obligees as provided in this Section 11.3 that together with the Applicable Percentage Amount would equal the then outstanding LIS Balance, then any Obligee may request the Appraisal described in Section 11.4 and, if an Appraisal is requested, receipt of such Appraisal at least 10 Business Days prior to the Termination Date relating to such Sale Option shall be a condition to the consummation of the sale of the Units on such Termination Date. Any purchaser or purchasers of the Units shall not in any way be affiliated with Obligor.

Section 11.4 Appraisals. If Obligor exercises a Sale Option and the sum of the anticipated Proceeds from the sale of the Units subject to this LIS plus the Applicable Percentage Amount is less than the outstanding LIS Balance, Agent (upon direction from any Obligee) shall, as provided in Section 11.3, engage an appraiser of nationally recognized standing, at Obligor's expense, to prepare an Appraisal to determine (by appraisal methods satisfactory to the Obligees) the Fair Market Value of the Units subject to this LIS as of (a) the first day of any Renewal Term in which such Sale Option was elected, and (b) the Termination Date. The Appraiser's conclusion relating to the first day of the Renewal Term shall be used in calculating the applicable "Recourse Deficiency Amount." In addition, if the Fair Market Value of such Units as of the Termination Date set forth in such Appraisal is in excess of the aggregate Proceeds from the sale of all Units subject to this LIS, Obligor shall promptly pay to Agent, as Supplemental Payments, for the benefit of the Obligees, such excess, which together with such Proceeds and the Sale Recourse Amount so paid to Obligees shall not exceed the outstanding LIS Balance determined immediately prior to the application of the foregoing amounts.

Section 11.5 Early Termination. (a) If no Incipient Default or Event of Default shall exist and Obligor has not previously elected a Sale Option, on any scheduled Payment Date after the second anniversary of the Delivery Date, Obligor may, at its option, upon at least 30 days' advance written notice to Agent and the Obligees, purchase all, but not less than all, of the Units subject to this LIS for the sum of (i) all accrued unpaid Payments payable on or prior to such Payment Date, (ii) the outstanding LIS Balance, (iii) the Applicable Administrative Charge, if any, and (iv) all other fees and expenses and other amounts then due and payable pursuant to this LIS and the other Operative Documents. Upon the indefeasible payment of such sums by Obligor in accordance with the provisions of the preceding sentence, the obligation of Obligor to make Payments hereunder (other than Payments expressly surviving the termination of this LIS, including Payments pursuant to Sections 7.1 and 7.2) shall cease, the term of this LIS shall end on the date of such payment and Agent, on behalf of the Obligees, shall execute and deliver to Obligor such documents as may be reasonably required to release the Units from the terms and

scope of this LIS (without representations or warranties, except that the Units are free and clear of Obligees Liens), in such form as may be reasonably requested by Obligor, all at Obligor's sole cost and expense.

(b) In addition, if no Incipient Default or Event of Default shall exist and Obligor has not previously elected a Sale Option, Obligor may, on any scheduled Payment Date occurring after the second anniversary of the Delivery Date, upon at least 30 days' advance written notice to Agent and the Obligees, purchase all, but not less than all, of the Units comprising one or more Equipment Lots for a purchase price equal to the sum of the Casualty Amounts of each of the Units in such Equipment Lots plus the Applicable Administrative Charge; provided, that (i) if, concurrently with such purchase by Obligor, Obligor sells such Equipment Lots to a purchaser who is not in any way affiliated with Obligor, such sale shall be for a purchase price at least equal to the Fair Market Value of such Equipment Lots; and, if the gross purchase price of such sale to an unaffiliated purchaser exceeds the purchase price paid by Obligor under this paragraph, the amount of such excess shall constitute an additional recourse obligation of Obligor in connection with any exercise of a Sale Option, it being understood that the sum of such amount, the Proceeds and the Sale Recourse Amount shall in no event exceed the LIS Balance; or (ii) if Obligor does not, concurrently with its purchase, sell such Equipment Lots to a purchaser who is not in any way affiliated with Obligor, Agent (upon direction from any Obligee) shall engage an appraiser of nationally recognized standing, at Obligor's expense, to determine (by appraisal methods satisfactory to the Obligees) the Fair Market Value of such Equipment Lots on the date of purchase, and if such Fair Market Value exceeds the purchase price paid by Obligor under this paragraph, the amount of such excess shall constitute an additional recourse obligation of Obligor in connection with any exercise of a Sale Option, it being understood that the sum of such amount, the proceeds and the Sale Recourse Amount shall in no event exceed the LIS Balance; and provided, further, that notwithstanding any of the foregoing, Obligor may not elect to purchase an Equipment Lot pursuant to this paragraph if (i) the aggregate Purchase Prices of the Units remaining subject to this LIS after such purchase is less than 50% of the aggregate Purchase Prices of all Units on the Delivery Date and (ii) solely in respect of a purchase of an Equipment Lot consisting of one or more Corn Syrup Cars, the weighted average life to maturity as of the Delivery Date of the Certificates held by the Obligees taking into account such purchase is more than six months longer than the weighted average life to maturity of the Certificates on the Delivery Date (unless Obligor prior to such purchase elects in writing to shorten the LIS Term relating to the Group A Units such that the weighted average life to maturity as of the Delivery Date of the Certificates, taking into account both such purchase and such shortening of the LIS Term, is not more than six months longer than the weighted

average life to maturity of the Certificates on the Delivery Date and provided that prior to such purchase the parties enter into an amendment shortening the LIS Term relating to the Group A Units, adjusting the scheduled amounts of Basic Payments and LIS Balance in such LIS Supplement and the Certificates and providing such other conforming changes as may be necessary to effectuate the foregoing, the form and substance of such amendment, the period of such shortening and all such adjustments and amendments to be reasonably satisfactory to and shall require the reasonable approval of the Required Obligees). Upon payment by Obligor of the amounts set forth in the immediately preceding sentence in respect of such purchase of one or more Equipment Lots, the remaining scheduled Payments, if any, the amount of the Supplement Balance for the Group A Units, the Group B Units, the Group C Units and the Group D Units and each of the Certificates shall be adjusted to reflect Obligor's payment of the Casualty Amounts for the Units comprising such Equipment Lots in the manner provided in Section 6.1 as if the Units comprising such Equipment Lots had suffered a Casualty.

Section 11.6 Required Termination. In the event that (a) any Operative Document or the security interest granted under this LIS shall (except in accordance with its terms), in whole or in part, terminate, cease to be effective or cease to be the legally valid, binding and enforceable obligation of Obligor, or (b) Obligor or any of its Affiliates shall, directly or indirectly, contest in any manner in any court the effectiveness, validity, binding nature or enforceability thereof, or (c) the security interest securing Obligor's obligations under the Operative Documents shall, in whole or in part, cease to be a perfected first priority security interest, Obligor shall, upon notice from Agent or the Required Obligees, repurchase all of the Units by paying to Agent, for the benefit of the Obligees, not later than 10 Business Days following such notice, all amounts that would have been payable on the date of such repurchase if Obligor had purchased all of the Units on such date pursuant to Section 11.5(a).

ARTICLE XII REPRESENTATIONS AND WARRANTIES

Section 12.1 Representations and Warranties of Obligor. As of the date hereof and the Delivery Date, Obligor makes the representations and warranties set forth in this Section 12.1 to each of the other parties hereto.

(a) General Matters. Obligor hereby represents and warrants that (i) Obligor is a corporation duly organized, validly existing and in good standing under the laws of the state of its incorporation, and is qualified to do business in, and is in good standing in all material respects in, each state or other

jurisdiction in which the nature of its business makes such qualification necessary (including each state or other jurisdiction in which the Units or any thereof will be located); (ii) Obligor has the corporate power and authority to execute and perform this LIS and each other Operative Document, to sell the Units to Agent (for the benefit of the Obligees) and to lease the same back from Agent (for the benefit of the Obligees) under this LIS, and no such transaction will violate any Applicable Laws and Regulations; (iii) the sale of any Unit by Obligor to Agent and the leasing of the same by Obligor from Agent under this LIS, the execution and delivery of each Operative Document and other related instruments, documents and agreements, and the compliance by Obligor with the terms hereof and thereof, and the payments and performance by Obligor of all of its obligations hereunder and thereunder (A) have been duly and legally authorized by appropriate corporate action taken by Obligor, (B) are not in contravention of, and will not result in a violation or breach of, any of the terms of Obligor's Certificate of Incorporation (or equivalent document) or its By-Laws, (C) will not violate or constitute a breach of any Applicable Laws and Regulations, or any indenture, agreement or other instrument to which Obligor is a party, or by or under which Obligor or any of Obligor's property is bound, or be in conflict with, result in a breach of, or constitute (with due notice and/or lapse of time) a default under any such indenture, agreement or instrument, and (D) will not result in the creation or imposition of any Lien upon any of Obligor's property or assets; (iv) this LIS and the other Operative Documents have been executed by the duly authorized officer or officers of Obligor and delivered to Agent and the Obligees and constitute the legal, valid and binding obligations of Obligor, enforceable in accordance with their terms except as limited by any applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally from time to time in effect and by general principles of equity including those applicable to the enforceability of the remedy of specific performance; (v) neither the execution and delivery of any Operative Document by Obligor, nor the payment and performance by Obligor of its obligations hereunder and thereunder, nor the sale of any of the Units by Obligor hereunder for the purpose of leasing the same back pursuant to this LIS, nor any action necessary to rebut the presumption of fraud discussed in clause (viii) below, requires the consent or approval of, the giving of notice to, or the registration, filing or recording with, or the taking of any other action in respect of, any Authority or any other Person other than as the same may be required herein; (vi) Obligor has not granted, nor will it grant, any Lien on any Unit, any other Collateral or this LIS, to any Person other than Agent or the Obligees and no Lien, other than the Lien granted to Agent and the Obligees hereunder (and any Lien hereafter granted by Agent and the Obligees) has attached to the Unit, any other Collateral or this LIS, or in any manner has affected adversely Agent's and the

Obligees' rights and security interest herein, and the Bill of Sale for the Units, will grant and convey to Agent for the benefit of the Obligees full legal title in and to the Units, free and clear of all Liens and claims of any present or future creditors of the Obligor; (vii) there is no litigation or other proceeding now pending or, to the best of Obligor's knowledge, threatened, against or affecting the Obligor, in any court or before any regulatory commission, board or other administrative Authority which, if decided adversely to Obligor, would have a Material Adverse Effect; (viii) no subsequent bona fide purchaser from the Obligor of the Units, in the event of any attempted subsequent sale thereof by the Obligor, acquire any title to or rights therein superior to Agent's title thereto and rights therein; (ix) the quarterly report of Obligor for the fiscal period ended February 29, 1996, fairly presents the financial condition of Obligor on such date, and the results of its operations for the period then ended, and except where noted has been prepared in accordance with GAAP and there has been no Material Adverse Effect with respect to Obligor since such date; (x) Obligor is not a "common carrier", as such term is defined in any provision of Subtitle IV of Title 49 United States Code, as amended by the ICC Termination Act of 1995, except that Obligor may be affiliated with three "common carriers" (no such affiliation, however, requires, in connection with the execution, delivery or performance by the Obligor of each Operative Document and other related instruments, documents and agreements, the consent or approval of, or the registration with, or the taking of any other action in respect of, the STB or the SEC); (xi) Obligor is not an "investment company", or a company "controlled" by an "investment company", within the meaning of the Investment Company Act of 1940, as amended; and (xii) Obligor has not offered any interest in this LIS, the Payments, the Certificates, or the Units or any similar security for sale to, or solicited offers to buy any thereof from, or otherwise approached or negotiated with respect thereto with, any prospective purchaser other than Agent, the Obligees and not more than one hundred (100) other institutional investors, each of which was offered such interest at a private sale for investment and each of which Obligor had reasonable grounds to believe, and did believe, as to the Agent and the Obligees, and after reasonable inquiry does believe, has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of such an investment.

(b) Perfection of Security Interest. Upon the filing of this LIS with the STB and an appropriate UCC financing statement with the Secretary of State in Minnesota and the payment of the aggregate Purchase Price for the Units by Agent, Agent will have an enforceable, perfected first priority security interest of record in the Collateral as against all Persons including Obligor and its creditors.

(c) The Units. The Purchase Price for each Unit does not exceed the Appraised Value of such Unit at the time of the sale to Agent hereunder and the aggregate Purchase Price for all of the Units does not exceed the Appraised Value of all of the Units at the time of the sale to Agent hereunder.

(d) ERISA. Assuming the accuracy of the representations of each Obligee and the Agent contained in Sections 12.2 and 12.3, respectively, the consummation of the transactions provided for in this LIS and compliance by Obligor with the provisions hereof and the Certificates issued hereunder will not involve any Prohibited Transaction.

(e) Taxes. Neither Obligor nor any Restricted Subsidiary is delinquent in payment of any income, property or other tax, except for any delinquency which is the subject of a Permitted Contest or which would not have a Material Adverse Effect. Obligor believes that adequate provision has been made on its books for (i) any proposed additional Tax assessments against it, (ii) any pending material controversy in respect of Federal or state income taxes and (iii) Taxes of Obligor and each Restricted Subsidiary for all open years, and for the current fiscal year.

(f) Rights in Respect of the Units. Obligor is not a party to any contract or agreement with respect to the sale by Obligor of any interest in the Units or any part thereof other than pursuant to this LIS and as permitted under clause (v) of the definition of Permitted Liens.

(g) Defaults, Casualties, etc. As of the Delivery Date: no Incipient Default, Event of Default or Casualty has occurred and is continuing; there is no action pending or, to the best of Obligor's knowledge, threatened by any Authority to initiate a Casualty; no condition exists that constitutes, or with the giving of notice or lapse of time or both would constitute an event of default by it under any material indenture, mortgage, chattel mortgage, deed of trust, lease, conditional sales contract, loan or credit arrangement or other material agreement or instrument to which it is a party or by which it or any of its properties may be bound which individually or in the aggregate with all such events of default could reasonably be expected to have a Material Adverse Effect.

(h) Chief Executive Office of Obligor. The principal place of business and chief executive office, as such terms are used in Section 9-103(3) of the UCC, of Obligor are each located at 15407 and 15615 McGinty Road, Wayzata, Minnesota.

(i) Compliance With Law. The Units and the current use and operation thereof and thereon do not violate any Applicable Laws and Regulations, including, without limitation, any thereof

relating to occupational safety and health or Environmental Laws, except for such violations as would not have, individually or in the aggregate, a Material Adverse Effect.

(j) Public Utility Holding Company. Obligor is not subject to regulation as a "holding company," an "affiliate" of a "holding company", or a "subsidiary company" of a "holding company," within the meaning of the Public Utility Holding Company Act of 1935, as amended.

(k) Legality. Obligor is, and immediately after giving effect to the issuance of the Certificates will be, a "solvent institution", as such term is used in Section 1405(c) of the New York Insurance Law, whose "obligations are not in default as to principal or interest", as such terms are used in Section 1405(c).

(l) Licenses, Registrations and Permits. All material licenses, approvals, authorizations, consents and permits required for the use and operation of each Unit have either been obtained from the appropriate Authorities having jurisdiction or from private parties, as the case may be.

(m) Federal Reserve Regulations. Neither Obligor nor any Affiliate of Obligor will, directly or indirectly, use any of the proceeds of the sale of the Units for the purpose of purchasing or carrying any "margin security" or "margin stock" within the meaning of Regulation G, T, U or X of the Board of Governors of the Federal Reserve System, respectively, or for the purpose of reducing or retiring any indebtedness which was originally incurred to purchase or carry a margin security or margin stock or for any other purpose which might cause any of the transactions contemplated by this LIS or any other Operative Document to constitute a "purpose credit" within the meaning of Regulation G, T, U or X of the Board of Governors of the Federal Reserve System, or for the purpose of purchasing or carrying any security, and neither Obligor nor any Affiliate of Obligor has taken or will otherwise take or permit any action by Obligor or any of its Affiliates in connection with any of the transactions contemplated by any of the Operative Documents which would involve a violation of Regulation G, T, U, or X, or any other regulation of the Board of Governors of the Federal Reserve System.

(n) Disclosure. Neither this LIS nor any of the information furnished to Agent or any Oblige by or on behalf of Obligor in connection with the transactions contemplated hereby contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements contained therein or herein not misleading. There is no particular fact of which Obligor has knowledge (whether relating to ERISA matters, Tax matters, Environmental Laws or otherwise) that has not been disclosed by Obligor (or by any Person authorized or employed by

Obligor as agent or otherwise) in writing to the Obligees that, as far as Obligor can reasonably foresee, is reasonably likely to have a Material Adverse Effect.

(o) Appraisal Data. The written information provided by Obligor and its Affiliates to the Appraiser and forming the basis for the conclusions set forth in each Appraisal, taken as a whole, was true and correct in all material respects and did not omit any information known and available to Obligor necessary to make the information provided not materially misleading.

(p) Solvency. The consummation by Obligor of the transactions contemplated by the Operative Documents did not and will not render Obligor insolvent, nor was it made in contemplation of Obligor's insolvency.

Section 12.2 Representations and Warranties of Obligees. Each Obligee represents and warrants, severally and only as to itself, to each of the other parties hereto as follows:

(a) ERISA. At least one of the following statements is an accurate representation as to each source of funds (a "Source") to be used by it to pay the purchase price of the Certificates to be purchased by it hereunder:

(i) if such Obligee is an insurance company, either (A) the Source is a separate account that is maintained solely in connection with such Obligee's fixed contractual obligations under which the amounts payable, or credited, to any employee benefit plan and to any participant or beneficiary of such plan (including any annuitant) are not affected in any manner by the investment performance of the separate account, or (B) the Source is an "insurance company general account" within the meaning of Department of Labor Prohibited Transaction Exemption ("PTE") 95-60, and, except as such Obligee has disclosed to Obligor in writing pursuant to this paragraph (a)(i), the amount of reserves and liabilities for the contract(s) held by or on behalf of each employee benefit plan which has an interest in such general account as a contractholder, together with the amount of reserves and liabilities for the general account contracts held by or on behalf of any other such plan maintained by the same employer (or an affiliate thereof) or by the same employee organization, does not exceed 10% of the total reserves and liabilities of such general account plus surplus as determined pursuant to the provisions of Section I(a) of PTE 95-60; or

(ii) the Source is either (A) an insurance company pooled separate account, within the meaning of PTE 90-1,

or (B) a bank collective investment fund, within the meaning of PTE 91-30 and, except as such Obligee has disclosed to Obligor in writing pursuant to this paragraph (a)(ii), no employee benefit plan or group of plans maintained by the same employer or employee organization beneficially owns more than 10% of all assets allocated to such pooled separate account or collective investment fund; or

(iii) the Source is a governmental plan; or

(iv) the Source is one or more employee benefit plans, or a separate account or trust fund comprised of one or more employee benefit plans, each of which has been identified to Obligor in writing pursuant to this paragraph (a)(iv); or

(v) the Source does not include assets of any employee benefit plan, other than a plan exempt from the coverage of ERISA.

As used in this Section 12.2(a), the terms "employee benefit plan", "governmental plan" and "separate account" shall have the respective meanings assigned to such terms in Section 3 of ERISA.

(b) Investment in Units and Certificates. It is acquiring its interest in the Units (as represented by the Certificates) for its own account for investment, and if in the future it should decide to dispose of its interest in the Units, it understands that it may do so only in compliance with the Securities Act and the rules and regulations of the SEC thereunder and any applicable state securities laws. Neither it nor anyone authorized to act on its behalf has taken or will take any action which would subject the issuance or sale of any Certificate or any interest in the Units, the Collateral or this LIS to the registration requirements of Section 5 of the Securities Act. No representation or warranty contained in this Section 12.2(b) shall include or cover any action or inaction of Obligor or any Affiliate thereof whether or not purportedly on behalf of any Obligee or any of their Affiliates. Subject to the foregoing, and subject to the provisions of Article XIV hereof, it is understood among the parties that the disposition of each Obligee's property shall be at all times within its control.

Section 12.3 Representations and Warranties of Agent. Norwest Bank Minnesota, National Association, in its individual capacity, hereby represents and warrants to the other parties as set forth in this Section 12.3.

(a) Organization and Authority. Agent is a national banking association duly organized and validly existing in good

standing under the laws of the United States of America and has the corporate power and authority to enter into and perform its obligations under the Operative Documents.

(b) Authorization; Binding Effect. The Operative Documents to which Agent is or will be a party have been or will be, on the date required to be delivered hereby, duly authorized, executed and delivered by Agent, and this LIS is, and such other Operative Documents are, or, when so executed and delivered by Agent will be, valid, legal and binding agreements of Agent, enforceable against Agent in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity.

(c) Non-Contravention. Neither the execution and delivery by Agent of the Operative Documents to which it is or will be a party, either in its individual capacity, as Agent, or both, nor compliance with the terms and provisions thereof, conflicts with, results in a breach of, constitutes a default under (with or without the giving of notice or lapse of time or both), or violates any of the terms, conditions or provisions of: (i) the articles of association or by-laws of Agent; (ii) any bond, debenture, note, mortgage, indenture, agreement, lease or other instrument to which Agent, either in its individual capacity, as Agent, or both, is now a party or by which it or its property, either in its individual capacity, as Agent, or both, is bound or affected, where such conflict, breach, default or violation would be reasonably likely to materially and adversely affect the ability of Agent, either in its individual capacity, as Agent or both, to perform its obligations under any Operative Document to which it is or will be a party, either in its individual capacity, as Agent, or both; or (iii) any of the terms, conditions or provisions of any law, rule, regulation, order, injunction or decree of any Authority applicable to it in its individual capacity, as Agent, or both, where such conflict, breach, default or violation would be reasonably likely to materially and adversely affect the ability of Agent, either in its individual capacity, as Agent or both, to perform its obligations under any Operative Document to which it is or will be a party.

(d) Absence of Litigation, etc. There is no litigation (including, without limitation, derivative actions), arbitration or governmental proceedings pending or, to the best knowledge of Agent, threatened against it which would be reasonably likely to adversely affect Agent's ability to perform its obligations under the Operative Documents to which it is party.

(e) Consents, etc. No authorization, consent, approval, license or formal exemption from, nor any filing, declaration or

registration with, any Authority, is or will be required in connection with the execution and delivery by Agent of the Operative Documents to which it is party or the performance by Agent of its obligations under such Operative Documents.

ARTICLE XIII COVENANTS

Section 13.1 Covenants of Obligor. Obligor covenants with each of the other parties hereto as follows (it being understood that all provisions of this Section 13.1 pursuant to which Obligor may deliver any information or afford any right of inquiry or inspection to Agent and the Obligees are subject to Section 13.4):

(a) Corporate Existence, etc. Subject to Section 13.1(b) and any merger permitted thereby pursuant to which Obligor ceases to exist (in which case this subsection (a) shall apply to the surviving corporation of such merger), Obligor shall do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence, rights and powers and franchises and its power and authority to perform its obligations under the Operative Documents, including, without limitation, any necessary qualification or licensing in any foreign jurisdiction, except where the failure to be so qualified would not have a Material Adverse Effect.

(b) Mergers, etc. Obligor shall not (whether in one transaction or a series of transactions), without the prior written consent of Agent and the Required Obligees, sell, transfer or dispose of, all or substantially all of its assets or property, or consolidate or merge with any other Person, unless (i) the Person which results from such merger or consolidation or which shall have acquired all or substantially all of the property of Obligor (the "Surviving Entity") (x) is a corporation organized under the laws of the United States or a jurisdiction thereof and (y) expressly assumes in writing all obligations of Obligor under this LIS and the other Operative Documents, (ii) no Incipient Default or Event of Default shall exist and be continuing before or as a result of such transaction and (iii) immediately after such transaction, Agent shall have an enforceable, perfected first priority security interest of record in all Collateral then subject hereto, free and clear of all Liens other than Permitted Liens. Obligor shall not sell, assign, transfer or otherwise dispose of its rights or delegate its obligations under this LIS to any other Person, except as permitted by Section 5.2 or this Section 13.1(b).

(c) Change of Name or Location. Obligor shall furnish to Agent notice on or before the 30th day prior to any relocation of its chief executive office or principal place of business, or change of its name.

(d) Financial Information. Obligor shall keep its books and records in accordance with GAAP (including, without limitation, the inclusion of footnotes on the financial statements hereinafter described). Obligor agrees to furnish Agent and each Obligee (i) as soon as practicable and in any event within 45 days after the end of each fiscal quarter, a consolidated profit and loss statement and reconciliation of surplus statement of Obligor and its Subsidiaries for the period from the beginning of the current fiscal year to the end of such fiscal quarter, and a consolidated balance sheet of Obligor and its Subsidiaries, as at the end of such fiscal quarter, setting forth in each case in comparative form corresponding consolidated figures from the corresponding fiscal quarter in the immediately preceding fiscal year, all in reasonable detail and certified by an authorized financial officer of the Obligor, subject to changes resulting from year-end adjustments, together with an officer's certificate that no Incipient Default or Event of Default has occurred and is continuing hereunder; (ii) as soon as practicable and in any event within 120 days after the end of each fiscal year, a consolidated profit and loss statement, reconciliation of surplus statement and consolidated statement of cash flows of Obligor and its Subsidiaries for such year and a consolidated balance sheet of the Obligor and its Subsidiaries as at the end of such year, setting forth in each case in comparative form corresponding consolidated figures from the preceding annual audit, all in reasonable detail and certified to Agent and each Obligee by independent certified public accountants of recognized standing selected by Obligor; (iii) as soon as practicable, copies of all such financial statements, proxy statements, notices and reports as Obligor shall send to its public stockholders, if any, and copies of any registration statements (without exhibits) and any regular or periodic reports which it files with the SEC (or any Authority succeeding to the function of the SEC); and (iv) only so long as an Event of Default shall have occurred and be continuing, with reasonable promptness, such other data and information with respect to the business, affairs and conditions of Obligor or its Subsidiaries as from time to time Agent or any Obligee may reasonably request. At the same time as Obligor furnishes to Agent and the Obligees the financial statements described in clause (i) above, Obligor agrees to send such financial statements to the National Association of Insurance Commissioners, 195 Broadway, 19th Floor, New York, New York 10007, Attention: Sandy Grossfield.

(e) Compliance Certificates. Not later than the 120th day after the end of each fiscal year of Obligor, Obligor shall deliver to Agent and each Obligee an Officer's Certificate stating that such officer has reviewed the activities of Obligor during such period and that during such period Obligor has performed and fulfilled each and every covenant, obligation and condition contained in the Operative Documents, no Incipient Default, Event of Default or Casualty exists under any of the Operative Documents, or if any such condition shall exist, specifying the nature and status thereof.

(f) Notice of Defaults. Promptly upon, but in no event later than three (3) Business Days after a Responsible Officer of Obligor shall have obtained knowledge thereof, Obligor shall notify Agent and each Obligee in writing of the existence of an Incipient Default, Event of Default, or any other matter which has resulted in or could reasonably be expected to have a Material Adverse Effect, which notice shall describe the nature of such Incipient Default, Event of Default or other matter and the action Obligor is taking with respect thereto.

(g) Inspection. Subject to Obligor's standard security and safety rules and procedures and, unless an Incipient Default or Event of Default shall be continuing, upon reasonable prior notice to Obligor, Agent or any Obligee may designate any person in writing who is an officer, employee or agent of Agent or such Obligee, as the case may be, to visit and inspect the properties (including, without limitation, the Units) of Obligor, and to the extent reasonable under the circumstances, examine its books of record and accounts (including, without limitation, Obligor's records pertaining to the Units), and discuss its affairs, finances and accounts with its officers, and, with notice to Obligor so that it may have an officer present if it so reasonably requests, the accountants of Obligor, all at such reasonable times as Agent or the requesting Obligee, as the case may be, may reasonably request and, upon such request, Obligor shall make such properties and such books of record and accounts available to Agent or the requesting Obligee, as the case may be, for inspection; provided, however, that, with respect to the properties of Obligor other than the Units and the records of Obligor other than those pertaining to the Units, Obligor's obligations hereunder shall arise only following the occurrence and during the continuance of an Incipient Default or Event of Default, except that prior to the occurrence of an Incipient Default or Event of Default, Obligor shall, upon receipt of reasonable notice, permit Agent or any Obligee to discuss the affairs, finances and accounts of Obligor with a financial officer of Obligor. So long as any Incipient

Default or Event of Default shall exist hereunder, Obligor will pay the reasonable expenses of Agent and the Obligees incurred in the exercise of the rights granted pursuant to this Section 13.1(g).

(h) Reports to Obligees. Obligor shall, concurrently with any notice, delivery or other communication to Agent pursuant to any Operative Document, deliver a copy of such notice, delivery or other communication to each Obligee at such Obligee's current address.

(i) UCC Search Reports. Obligor shall, within 18 Business Days after the Delivery Date, provide Agent with reports acceptable to Agent and counsel to the Obligees as to Obligor and the Units from filing or recording offices of the State of Minnesota and the County of Hennepin, in respect of a search of the applicable UCC files and any indices of Liens maintained by such offices (including, if applicable, indices of judgment, revenue and tax liens), which search reports shall evidence Obligor's perfected security interest in the Collateral free and clear of all Liens.

Section 13.2 Covenants of Agent. Agent, in its individual capacity, covenants with each of the other parties hereto as follows:

(a) so long as this LIS remains in effect or so long as the obligations of Obligor arising hereunder have not been fully and finally discharged, Agent, in its individual capacity, (i) will keep this LIS and all Collateral free and clear of all Liens arising by, through or under Agent, in its individual capacity, which are unrelated to the transactions contemplated by this LIS and shall indemnify, reimburse and hold each Obligee and Obligor harmless from any and all claims, losses, damages, obligations, penalties, liabilities, demands, suits, or causes of action and all legal proceedings, and any costs or expenses in connection therewith, including reasonable legal fees and expenses, of whatever kind and nature, imposed on, incurred by or asserted against any Obligee or Obligor in any way relating to, or arising in any manner out of, Agent's failure to comply with this Section 13.2(a) and (ii) covenants that it will not, through its own actions, interfere in the Obligor's (or any sublessee's or assignee's) quiet enjoyment of any Unit during the term of this LIS with respect to such Unit, except as permitted or required by the terms of this LIS; and

(b) Agent shall apply funds held by it in its capacity as agent hereunder as required by this LIS.

Section 13.3 Covenants of Obligees. Each Obligee, severally and not jointly, covenants with each of the other parties hereto as follows:

(a) provided that no Incipient Default or Event of Default exists, it will not, through its own actions, interfere in the Obligor's (or any sublessee's or assignee's) quiet enjoyment of any Unit during the term of this LIS with respect to such Unit; and

(b) it will keep the Units free and clear from all Obligee Liens attributable to it, provided that it may contest any such Obligee Lien pursuant to a Permitted Contest.

Section 13.4 Confidentiality. Each Obligee agrees to use its best efforts to keep confidential any written information (other than information (i) which has become public information without breach by such Obligee of any of its obligations hereunder, or (ii) which was otherwise known to such Obligee at the time of disclosure (except pursuant to disclosure in connection with this LIS) or (iii) which otherwise becomes known to such Obligee other than through disclosure by the Company or any other holder of any Certificates) delivered by the Company to it (including but not limited to information obtained pursuant to Sections 13.1(d), (g) and (h)) in connection with or pursuant to this LIS which is clearly indicated to be confidential information (including any information which is disclosed orally, provided that it is identified at the time of disclosure as confidential, and such oral information is written and is provided to Obligee within ten (10) days thereafter); provided that nothing herein shall prevent any holder of any Certificates from disclosing such information (i) to such holder's directors, trustees, officers, employees, agents and professional consultants, (ii) to any other holder of any Certificates who is a Qualified Institutional Buyer, (iii) to any Person who is a Qualified Institutional Buyer to which such holder offers to sell such Certificate or any part thereof which has agreed in writing to be bound by the provisions of this Section 13.4, (iv) to any Person who is a Qualified Institutional Buyer to which such holder sells or offers to sell a participation in all or any part of such Certificates which has agreed in writing to be bound by the provisions of this Section 13.4, (v) if required by any federal or state regulatory authority having jurisdiction over such holder, (vi) if required by the National Association of Insurance Commissioners or any similar organization or (vii) to any other Person to which such delivery or disclosure is required (a) in compliance with any law, rule, regulation or order applicable to such Person, or (b) in response to any subpoena or other legal process or in connection with any litigation to which such Person is a party, provided that in any of these events, to the extent practicable and not contrary to any applicable law, such Person shall notify Obligor prior to making any such disclosure in

order to allow Obligor an opportunity to apply for a protective order or other appropriate relief, or (viii) in order to protect such Person's investment in such Certificate to the extent reasonably required in connection with the exercise of any remedy hereunder.

**ARTICLE XIV
REGISTRATION, TRANSFER, EXCHANGE,
REPLACEMENT AND ASSIGNMENT OF CERTIFICATES**

Section 14.1 Certificates Represent Obligee Interests. The interests of each Obligee shall be evidenced by a certificate or certificates in the form of Exhibit D hereto, with appropriate insertions, and indicating such Obligee's interest in this LIS and the Units (each such certificate, and any and all certificates issued in replacement or exchange therefor being a "Certificate"). In addition to the agency established pursuant to Article IX, Agent is appointed the agent of Obligor for the limited purpose of transfer and exchange of the Certificates, and, as such, Obligor agrees that Agent shall be entitled to, and Obligor shall be bound by, the provisions of Article IX with respect to such agency. Agent shall, as agent for Obligor, maintain at its office a register for the purpose of registering the Certificate or Certificates originally issued hereunder and all transfers and exchanges thereof. An Obligee intending to transfer any or all of its Certificates, or to exchange any or all of its Certificates for Certificates evidencing a different interest, shall surrender such Certificate or Certificates to Agent at its office set forth on Schedule I, together with a written request from such Obligee for the issuance of a new Certificate or Certificates, specifying the interests to be evidenced thereby and, in the case of a surrender for registration of transfer, the name and address of the new Obligee. Promptly upon receipt of such documents by Agent, Obligor shall execute and Agent shall authenticate and deliver at no charge to Obligee, a new Certificate or Certificates in the same form, evidencing the same aggregate interest and dated the same date or dates as the Certificate or Certificates surrendered. Agent, at no charge to Obligee, shall make a notation on each new Certificate of the amount of all payments previously made on the old Certificate or Certificates with respect to which such new Certificate is issued and the date to which payments with respect to the old Certificate or Certificates have been paid. Such notations, and Attachment 1 to each Certificate, shall be prepared by Agent, and shall be conclusive and binding absent manifest error. The Obligee requesting such transfer or exchange shall be responsible for all stamp taxes related thereto. Agent and Obligor may deem the owner of each Certificate reflected in the register as the owner thereof for all purposes. Agent shall not be responsible for determining if any transferee satisfies the requirements of Section 14.3.

Section 14.2 Lost, Stolen or Damaged Certificates. If any Obligee's Certificate shall become mutilated, destroyed, lost or stolen, Obligor shall, upon the written request of the appropriate Obligee, execute and deliver in replacement thereof and at no charge to Obligee, a new Certificate in the same form, evidencing the same interest and dated the same date as the Certificate so mutilated, destroyed, lost or stolen. If the Certificate being replaced has become mutilated, such Certificate shall be surrendered to Agent and a photocopy thereof shall be furnished to Obligor by Agent. If the Certificate being replaced has been destroyed, lost or stolen, the Obligee requesting a replacement Certificate shall furnish to Obligor and Agent such reasonable security or indemnity as may be required by each of them to save them harmless if the Obligee has not furnished them satisfactory evidence of the destruction, loss or theft of the Certificate; provided, that if the Certificate being replaced is registered in the name of any institutional investor then the affidavit of such authorized officer of Obligee in form reasonably satisfactory to Agent, setting forth the fact of destruction, loss or theft and of ownership of the Certificate at the time thereof shall be satisfactory evidence and no security or indemnity shall be required other than the written agreement of such person, in form reasonably satisfactory to Agent, to indemnify and hold harmless Obligor and Agent from all risks resulting from the authentication and delivery of a substitute Certificate. The Obligee requesting replacement hereunder shall be responsible for all stamp taxes relating to such replacement.

Section 14.3 Obligee Assignments. All or any of the right, title or interest and obligations of any Obligee in and to this LIS and the rights, benefits, advantages and obligations of any Obligee hereunder, including the rights to receive Payments or any other amounts hereunder, and the rights, titles and interests in and to the Units, may be assigned or transferred by such Obligee at any time by transfer of the Certificate representing such interest in accordance with the provisions of this Article XIV; provided, that any assignee or transferee must be either (i) a Qualified Institutional Buyer or (ii) a financial institution to whom the sale of such Certificate is exempt from the registration requirements of the Securities Act as supported by an opinion of such Person's in-house or outside counsel (which financial institution may not be a Competitor), and, in the case of either clause (i) or (ii), must represent and warrant that:

(a) it is a sophisticated investor with sufficient knowledge and experience in financial and business matters to enable it to evaluate the merits and risks of acquiring a Certificate;

(b) it will be acquiring the Certificates for its own account for investment purposes and not with a view

toward, or for sale in connection with, any distribution thereof, nor with any present intention of distributing or selling such Certificate, provided that, subject to the provisions of this LIS and applicable securities laws, the disposition of the its Certificate shall at all times remain within its control;

(c) at least one of the following statements is an accurate representation as to each Source to be used by it to pay the purchase price of the Certificates to be assigned or transferred to it hereunder:

(i) if such assignee or transferee is an insurance company, either (A) the Source is a separate account that is maintained solely in connection with such assignee's or transferee's fixed contractual obligations under which the amounts payable, or credited, to any employee benefit plan and to any participant or beneficiary of such plan (including any annuitant) are not affected in any manner by the investment performance of the separate account, or (B) the Source is an "insurance company general account" within the meaning of Department of Labor Prohibited Transaction Exemption ("PTE") 95-60, and, except as such assignee or transferee has disclosed to Obligor in writing pursuant to this paragraph (c)(i), the amount of reserves and liabilities for the contract(s) held by or on behalf of each employee benefit plan which has an interest in such general account as a contractholder, together with the amount of reserves and liabilities for the general account contracts held by or on behalf of any other such plan maintained by the same employer (or an affiliate thereof) or by the same employee organization, does not exceed 10% of the total reserves and liabilities of such general account plus surplus as determined pursuant to the provisions of Section I(a) of PTE 95-60; or

(ii) the Source is either (A) an insurance company pooled separate account, within the meaning of PTE 90-1, or (B) a bank collective investment fund, within the meaning of PTE 91-30 and, except as such assignee or transferee has disclosed to Obligor in writing pursuant to this paragraph (c)(ii), no employee benefit plan or group of plans maintained by the same employer or employee organization beneficially owns more than 10% of all assets allocated to such pooled separate account or collective investment fund; or

(iii) the Source is a governmental plan; or

(iv) the Source is one or more employee benefit plans, or a separate account or trust fund comprised of one or more employee benefit plans, each of which has been identified to Obligor in writing pursuant to this paragraph (c)(iv); or

(v) the Source does not include assets of any employee benefit plan, other than a plan exempt from the coverage of ERISA.

As used in this Section 14.3(c), the terms "employee benefit plan", "governmental plan" and "separate account" shall have the respective meanings assigned to such terms in Section 3 of ERISA.

(d) it understands that because the Certificate has not been registered under the Securities Act, it may have to bear the economic risk thereof for an indefinite period of time, and that the Certificate may not be able to be sold, transferred or otherwise disposed of without registration under the Securities Act, except pursuant to an exemption from registration available under the Securities Act;

(e) it will not transfer the Certificate unless the proposed transferee makes the foregoing representations and covenants; and

(f) it will not take any action that would by itself subject any transfer of the Certificate to the provisions of Section 5 of the Securities Act.

ARTICLE XV OWNERSHIP, GRANT OF SECURITY INTEREST AND FURTHER ASSURANCES

Section 15.1 Grant of Security Interest. Title to the Units shall remain in Agent, for the benefit of the Obligees, as security for the obligations of Obligor hereunder and under the other Operative Documents to which it is a party until Obligor has fulfilled all of its obligations hereunder and thereunder. Obligor hereby assigns, hypothecates, transfers and pledges to Agent for the benefit of Obligees and Agent, and grants to Agent a security interest for the benefit of Obligees and Agent in each of the Units, each Sublease covering any Unit that may be entered into from time to time in accordance with the provisions of this LIS, and Obligor hereby grants to Agent for the benefit of Obligees and Agent a continuing security interest in all of the other Collateral, to secure the payment of all sums due hereunder and under the related documents to which it is a party and the

performance of all other obligations hereunder and under the other Operative Documents to which it is a party.

Section 15.2 Retention of Proceeds. If Obligor would be entitled to any amount (including any Casualty Recoveries) or title to any Unit hereunder but for the existence of any Event of Default or Incipient Default, Agent shall hold such amount or Unit as part of the Collateral and shall be entitled to apply such amounts against any amounts due hereunder; provided, that Agent shall distribute such amount or transfer such Unit in accordance with the other terms of this LIS if and when no Event of Default or Incipient Default exists.

Section 15.3 Further Assurances. Obligor will, at its expense, promptly and duly do any further reasonable act and execute, acknowledge, deliver, file, register and record any further documents (including, without limitation, amendments and supplements to this LIS and Uniform Commercial Code financing statements and continuation statements) as Agent or the Required Obligees may from time to time reasonably request in order to carry out more effectively the intent and purposes of this LIS and to establish and protect the rights and remedies created or intended to be created in favor of Agent and the Obligees, including the title to the Units and the first priority security interest in the Collateral of Agent, on behalf of the Obligees. Without limiting the foregoing, on or prior to April 1 in each of the years 2001, 2006 and 2011, Obligor shall have executed and filed continuation statements with respect to the financing statements originally filed hereunder, or failing the same, Agent shall file such continuation statements prior to May 31 in each such year pursuant to the authority vested in Agent under Section 8.5 (exclusive of the requirement to provide Obligor with the 10 days' prior notice specified in Section 8.5).

ARTICLE XVI RETURN OF UNITS

Unless (i) with respect to the 15-Year Equipment, the 15-Year Equipment is purchased by Obligor pursuant to Section 11.1(b) at the expiration of the LIS Term for such 15-Year Equipment and (ii) with respect to the 20-Year Equipment, the 20-Year Equipment is purchased by Obligor pursuant to Section 11.1(b) at the expiration of the LIS Term for such 20-Year Equipment, Obligor shall forthwith after the expiration of the LIS Term for such 15-Year Equipment or 20-Year Equipment, as the case may be, deliver exclusive possession of the 15-Year Equipment or 20-Year Equipment, as the case may be, to Agent, for the benefit of the Obligees, or to a buyer under a Sale Option, at a location designated by Agent, together with a copy of an inventory list of the 15-Year Equipment or 20-Year Equipment, as the case may be, then subject to this LIS, all then

current plans, specifications and operating, maintenance and repair manuals relating to the 15-Year Equipment or the 20-Year Equipment, as the case may be, that have been received or prepared by Obligor, appropriately protected and in the condition required by Article V hereof (and in any event in condition to be placed in immediate revenue service), to Agent. If Agent shall rightfully demand possession of any Unit, whether 15-Year Equipment or 20-Year Equipment, pursuant to this LIS or otherwise, Obligor, at its expense, shall forthwith deliver possession of such Unit to Agent by delivering the Unit, appropriately protected and in the condition required by Article V, to Agent at such place or places as may be specified by Agent. In addition, if Agent has terminated this LIS pursuant to Section 8.2, Obligor shall, for 180 days after redelivery of the Units, maintain (or cause to be maintained) the Units in the condition required by Article V, store the Units without cost to Agent or any Obligees, upgrade the Units to cause them to be in compliance with Rule 88 of the A.A.R. or any successor rule (on the assumption that there will be a transfer to a new operator using new reporting marks) and keep all of the Units insured in accordance with Section 6.2. Notwithstanding Section 13.1(g) and without limiting the generality thereof, the Required Obligees may, appoint a qualified, independent Person to inspect and test, if appropriate, the Units being returned or delivered and all logs and other records relating thereto to determine whether the condition of the Units being returned is in conformity with this Article XVI, and Obligor agrees to cooperate with such Person in connection with such inspection and testing and to bear the entire cost thereof (including the reasonable fees of such Person). This Article XVI shall survive termination of this LIS.

ARTICLE XVII MISCELLANEOUS

Section 17.1 Payment of Transaction Costs and Other Costs. Whether or not the transactions contemplated hereby are consummated, Obligor shall pay all Transaction Costs in accordance with Section 3.7, and in the event the transactions contemplated hereby do not close, Obligor shall pay such Transaction Costs promptly upon receipt of invoices therefor. In addition, Obligor shall pay or reimburse Agent and the Obligees for all other out-of-pocket costs and expenses (including allocated fees of internal counsel) reasonably incurred in connection with: (a) entering into, or the giving or withholding of, any future amendments, supplements, waivers or consents with respect to the Operative Documents (including without limitation any legal services rendered in connection with or arising under Section 13.1); (b) any Casualty or the termination of this LIS or any other Operative Document with respect to any Unit; (c) the negotiation and documentation of any restructuring or "workout," whether or not consummated, of any Operative Document; (d) the enforcement of the rights or remedies

under the Operative Documents; (e) further assurances requested pursuant to Section 15.3 hereof or any similar provision in any other Operative Document; (f) any transfer by Agent or an Obligee of any interest in the Operative Documents during the continuance of an Event of Default; and (g) the ongoing fees and expenses of Agent under the Operative Documents.

Section 17.2 Effect of Waiver. No delay or omission to exercise any right, power or remedy inuring to Agent or any Obligee upon any breach or default of Obligor hereunder shall impair any such right, power or remedy nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein or of or in any similar breach or default thereafter occurring, nor shall any single or partial exercise of any right, power or remedy preclude other or further exercise thereof, or the exercise of any other right, power or remedy, nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of Obligees or Agent of any breach or default under this LIS must be specifically set forth in writing and must satisfy the requirements set forth in Section 17.5 with respect to approval by Obligees and Agent.

Section 17.3 Survival of Covenants. All representations, warranties and covenants of Obligor under Article IV, Article V, Article VII, Article XI, Article XV, Sections 9.4 (with respect to each Obligee), 9.10, 12.1 and 13.1 shall survive the expiration or termination of this LIS to the extent arising prior to any such expiration or termination.

Section 17.4 Applicable Law. **THIS LIS SHALL BE GOVERNED BY AND CONSTRUED UNDER THE INTERNAL LAWS OF NEW YORK WITHOUT REGARD TO CONFLICT OF LAW PRINCIPLES.**

Section 17.5 Effect and Modification of LIS. This LIS exclusively and completely states the rights of Agent, Obligees and Obligor with respect to the leasing of the Units and supersedes all prior agreements, oral or written, with respect thereto. No variation, modification, amendment or waiver of this LIS shall be valid unless in writing and signed by Agent with the consent of the Required Obligees and by Obligor. No variation, modification amendment or waiver of this LIS purporting to (i) postpone, reduce or forgive, in whole or in part, any Payments, or any payment of LIS Balance, Supplement Balance, Administrative Charge, Applicable Percentages, Recourse Deficiency Amounts, interest or other amount payable hereunder, or modify the definition, or method of calculation, of any Payments, or any payment of LIS Balance, Supplement Balance, Administrative Charge, Applicable Percentages, Recourse Deficiency Amounts, interest or other amount payable hereunder, (ii) release any Collateral granted hereunder (except as expressly provided in Sections 6.1, 11.5 and 15.2, or (iii) modify

this sentence or the definition of "Required Obligees" shall be valid unless in writing and signed by Agent with the consent of all Obligees. No variation, modification amendment or waiver of any Certificate shall be valid unless in writing and signed by Agent with the consent of the registered holder of such Certificate.

Section 17.6 Notices. All demands, notices and other communications hereunder shall be in writing and shall be deemed to have been duly given when personally delivered or one Business Day after being sent by overnight delivery service or three days after being deposited in the mail, certified mail postage prepaid, or when delivered to a telegraph office, charges prepaid, addressed to: (A) Agent or Obligor at the address set forth below the signature of such party on the signature page hereof, or at such other address as may hereafter be furnished in accordance with this Section 17.6 by either party to the other and (B) each Obligee at its address set forth in Schedule I hereto, or at such other address as may hereafter be furnished in accordance with this Section 17.6 by either party to the other.

Section 17.7 Counterparts. This LIS has been executed in several counterparts. One counterpart has been prominently marked "Agent's Copy". Only the counterpart marked "Agent's Copy" shall evidence a monetary obligation of Obligor or shall be deemed to be an original or to be chattel paper for purposes of the Uniform Commercial Code, and such copy shall be held by Agent.

Section 17.8 Severability. Whenever possible, each provision of this LIS shall be interpreted in such manner as to be effective and valid under applicable law; but if any provision of this LIS shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this LIS.

Section 17.9 Successors and Assigns; Merger. This LIS shall be binding upon the parties hereto and their respective successors and assigns and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns.

Section 17.10 Brokers. None of the parties has engaged or authorized any broker, finder, investment banker or other third party to act on its behalf, directly or indirectly, as a broker, finder, investment banker, agent or any other like capacity in connection with this LIS or the transactions contemplated hereby, except that Obligor has engaged BA Leasing & Capital Corporation and/or an Affiliate thereof.

Section 17.11 Jury Trial. **EACH OF OBLIGOR, EACH OBLIGEE AND AGENT WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS UNDER THIS LIS OR ANY**

OTHER OPERATIVE DOCUMENT OR UNDER ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION HERewith OR THEREWITH OR ARISING FROM ANY RELATIONSHIP EXISTING IN CONNECTION WITH THIS LIS OR ANY OTHER OPERATIVE DOCUMENT AND AGREES THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.

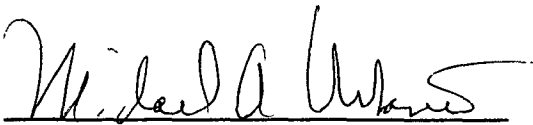
Section 17.12 Captions; Table of Contents. Section captions and the table of contents used in this LIS (including the Schedules, Exhibits and Annexes hereto) are for convenience of reference only and shall not affect the construction of this LIS.

Section 17.13 Schedules and Exhibits. The Schedules, Annexes and Exhibits hereto, and each LIS Supplement, along with all attachments referenced in any of such items are incorporated herein by reference and made a part hereof.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have executed this LIS
as of the day and year first above written.

CARGILL, INCORPORATED,
as Obligor

By: 
Name: Michael A. Urbanic
Title: President, North American Corn
Milling

Address:
Cargill, Incorporated
15407 McGinty Road West
Wayzata, MN 55391
Facsimile: 612-742-6635

NORWEST BANK MINNESOTA,
NATIONAL ASSOCIATION,
as Agent (and in its individual
capacity where specifically
indicated)

By: _____
Name: _____
Title: _____

AMERICAN GENERAL LIFE AND
ACCIDENT INSURANCE COMPANY

By: _____
Name: _____
Title: _____

AMERICAN GENERAL LIFE INSURANCE
COMPANY OF NEW YORK

By: _____
Name: _____
Title: _____

AID ASSOCIATION FOR LUTHERANS

By: _____
Name: _____
Title: _____

KNIGHTS OF COLUMBUS

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, the parties hereto have executed this LIS
as of the day and year first above written.

CARGILL, INCORPORATED,
as Obligor

NORWEST BANK MINNESOTA,
NATIONAL ASSOCIATION,
as Agent (and in its individual
capacity where specifically
indicated)

By: _____
Name: _____
Title: _____

By: Curtis D. Schweegman
Name: Curtis D. Schweegman
Title: Corporate Trust Officer

Address:
Cargill, Incorporated
15407 McGinty Road
Wayzata, MN 95391
Facsimile: 912-742-6635

AMERICAN GENERAL LIFE AND
ACCIDENT INSURANCE COMPANY

AMERICAN GENERAL LIFE INSURANCE
COMPANY OF NEW YORK

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

AID ASSOCIATION FOR LUTHERANS

KNIGHTS OF COLUMBUS

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Name: _____
Title: _____

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as Obligor

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NATIONAL ASSOCIATION,
as Agent (and in its individual
capacity where specifically
indicated)

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

Address:
Cargill, Incorporated
15407 McGinty Road
Wayzata, MN 95391
Facsimile: 912-742-6635

AMERICAN GENERAL LIFE AND
ACCIDENT INSURANCE COMPANY

AMERICAN GENERAL LIFE INSURANCE
COMPANY OF NEW YORK

By: Julia S. Tucker
Name: JULIA S TUCKER
Title: INVESTMENT OFFICER

AID ASSOCIATION FOR LUTHERANS

KNIGHTS OF COLUMBUS

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, the parties hereto have executed this LIS
as of the day and year first above written.

CARGILL, INCORPORATED,
as Obligor

NORWEST BANK MINNESOTA,
NATIONAL ASSOCIATION,
as Agent (and in its individual
capacity where specifically
indicated)

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

Address:
Cargill, Incorporated
15407 McGinty Road
Wayzata, MN 95391
Facsimile: 912-742-6635

AMERICAN GENERAL LIFE AND
ACCIDENT INSURANCE COMPANY

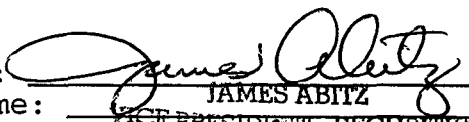
AMERICAN GENERAL LIFE INSURANCE
COMPANY OF NEW YORK

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

AID ASSOCIATION FOR LUTHERANS

KNIGHTS OF COLUMBUS

By:  _____
Name: JAMES ABITZ
Title: VICE PRESIDENT - SECURITIES

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, the parties hereto have executed this LIS
as of the day and year first above written.

CARGILL, INCORPORATED,
as Obligor

NORWEST BANK MINNESOTA,
NATIONAL ASSOCIATION,
as Agent (and in its individual
capacity where specifically
indicated)

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

Address:
Cargill, Incorporated
15407 McGinty Road
Wayzata, MN 95391
Facsimile: 912-742-6635

AMERICAN GENERAL LIFE AND
ACCIDENT INSURANCE COMPANY

AMERICAN GENERAL LIFE INSURANCE
COMPANY OF NEW YORK

By: _____
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Title: _____

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Name: _____
Title: _____

AID ASSOCIATION FOR LUTHERANS

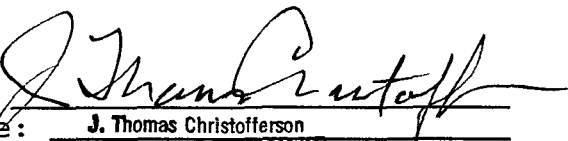
KNIGHTS OF COLUMBUS

By: _____
Name: _____
Title: _____

JPS
AK

By: Charles P. Riesbeck, Jr.
Name: Charles P. Riesbeck, Jr.
Title: Supreme Secretary

THE NORTHWESTERN MUTUAL LIFE
INSURANCE COMPANY

By: 
Name: J. Thomas Christofferson
Title: VICE PRESIDENT

UNITED OF OMAHA LIFE INSURANCE
COMPANY

By: _____
Name: _____
Title: _____

THE MUTUAL LIFE INSURANCE
COMPANY OF NEW YORK

By: _____
Name: _____
Title: _____

MONY LIFE INSURANCE COMPANY OF
AMERICA

By: _____
Name: _____
Title: _____

THE NORTHWESTERN MUTUAL LIFE
INSURANCE COMPANY

By: _____
Name: _____
Title: _____

UNITED OF OMAHA LIFE INSURANCE
COMPANY

By: Edwin H. Harrison Jr.
Name: EDWIN H. C.
Title: FIRST VICE PRES.

THE MUTUAL LIFE INSURANCE
COMPANY OF NEW YORK

By: _____
Name: _____
Title: _____

MONEY LIFE INSURANCE COMPANY OF
AMERICA

By: _____
Name: _____
Title: _____

THE NORTHWESTERN MUTUAL LIFE
INSURANCE COMPANY

By: _____
Name: _____
Title: _____

UNITED OF OMAHA LIFE INSURANCE
COMPANY

By: _____
Name: _____
Title: _____

THE MUTUAL LIFE INSURANCE
COMPANY OF NEW YORK

By: Emilia Wiener
Name: Emilia F. Wiener
Title: Managing Director

MONY LIFE INSURANCE COMPANY OF
AMERICA

By: Emilia Wiener
Name: Emilia F. Wiener
Title: Authorized Agent

LUTHERAN BROTHERHOOD

By: Mark O. Swenson
Name: Mark O. Swenson
Title: Assistant Vice President

THE CATHOLIC AID ASSOCIATION

By: MIMLIC ASSET MANAGEMENT
COMPANY

By: _____
Name: _____
Title: _____

GUARANTEE RESERVE LIFE
INSURANCE COMPANY

By: MIMLIC ASSET MANAGEMENT
COMPANY

By: _____
Name: _____
Title: _____

PROTECTED HOME MUTUAL LIFE
INSURANCE COMPANY

By: MIMLIC ASSET MANAGEMENT
COMPANY

By: _____
Name: _____
Title: _____

LUTHERAN BROTHERHOOD

By: _____
Name: _____
Title: _____

THE CATHOLIC AID ASSOCIATION

By: MIMLIC ASSET MANAGEMENT
COMPANY

By: Lynne M. Mills *LM*
Name: Lynne M. Mills, Vice President
Title: _____

GUARANTEE RESERVE LIFE
INSURANCE COMPANY

By: MIMLIC ASSET MANAGEMENT
COMPANY

By: Lynne M. Mills *LM*
Name: Lynne M. Mills, Vice President
Title: _____

PROTECTED HOME MUTUAL LIFE
INSURANCE COMPANY

By: MIMLIC ASSET MANAGEMENT
COMPANY

By: Lynne M. Mills *LM*
Name: Lynne M. Mills, Vice President
Title: _____

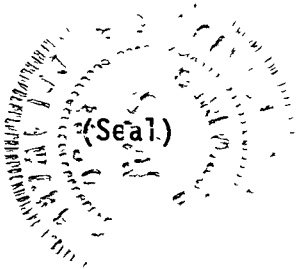
Corporate Form of Acknowledgment
Pursuant to 49 CFR §117.3

State of Minnesota

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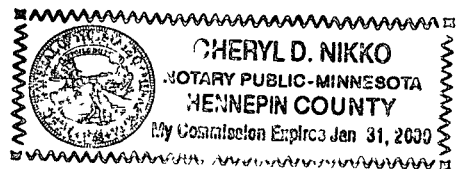
County of Hennepin

On this 28th day of May, 1996 before me personally appeared Michael A. Urbanic, to me personally known, who being by me duly sworn, says that (s)he is the President, North American Corn Milling of CARGILL, INCORPORATED, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



Cheryl D. Nikko
Signature of Notary Public

My Commission expires Jan. 31, 2000



Corporate Form of Acknowledgment
Pursuant to 49 CFR §1177.3

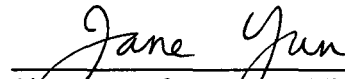
State of Minnesota

ss:

County of Hennepin

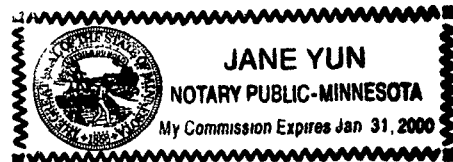
On this 31st day of May, 1996 before me personally appeared Curtis D. Schwegman, to me personally known, who being by me duly sworn, says that (s)he is the Corporate Trust Officer of NORWEST BANK MINNESOTA, NATIONAL ASSOCIATION, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

(Seal)



Signature of Notary Public

My Commission expires JAN 31, 2000



SCHEDULE I TO LEASE INTENDED AS SECURITY
DATED AS OF MAY 31, 1996
(CARGILL, INCORPORATED)

(a) Agent

NORWEST BANK MINNESOTA, NATIONAL ASSOCIATION

All payments to be by wire transfer of immediately available funds with sufficient information (including issuer, PPN #, interest rate, maturity date, interest amount, principal amount and premium amount, if applicable) to identify the source and application of such funds to:

Norwest Bank Minnesota, N.A.
ABA #091000019
Account: #10-38-377
Attn: Jane Yun
Ref: Cargill LIS

All communications and notices to:

Norwest Bank Minnesota, N.A.
Norwest Center
Sixth and Marquette
Minneapolis, Minnesota 55479-0069
Attention: Corporate Trust Services
Facsimile: (612) 667-9825

(b) Obligees

**AMERICAN GENERAL LIFE AND ACCIDENT
INSURANCE COMPANY**

Commitment
\$20,000,000.00

All payments to be by wire transfer of immediately available funds, with sufficient information (including issuer, PPN #, interest rate, maturity date, interest amount, principal amount and premium amount, if applicable) to identify the source and application of such funds, to:

ABA#011000028
State Street Bank and Trust Company
Boston, MA 02101
Re: [American General Life and Accident Insurance Company]
AC-0125-934-0
OBI=PPN # and description of payment
Fund Number PA 10

Payment notices to:

American General Life and Accident Insurance Company and
PA 10
c/o State Street Bank and Trust Company
Insurance Services Custody (AH2)
1776 Heritage Dr.
North Quincy, MA 02171

Facsimile Number: (617) 985-4923

Duplicate payment notices and all other correspondences to:

American General Life and Accident Insurance Company
c/o American General Corporation
Attn: Investment Research Department, A37-01
P.O. Box 3247
Houston, Texas 77253-3247

Overnight Mail Address: 2929 Allen Parkway
Houston, TX 77019-2155

Facsimile Number: (713) 831-1366

Tax I.D. Number: 62-0306330

**AMERICAN GENERAL LIFE INSURANCE COMPANY
OF NEW YORK**

Commitment
\$4,000,000.00

All payments to be by wire transfer of immediately available funds, with sufficient information (including issuer, PPN #, interest rate, maturity date, interest amount, principal amount and premium amount, if applicable) to identify the source and application of such funds, to:

ABA#011000028
State Street Bank and Trust Company
Boston, MA 02101
Re: American General Life and Accident Insurance Company
AC-0125-942-3
OBI=PPN # and description of payment
Fund Number PA 45

Payment notices to:

American General Life Insurance Company of New York 45
c/o State Street Bank and Trust Company
Insurance Services Custody (AH2)
1776 Heritage Dr.
North Quincy, MA 02171
Facsimile Number: (617) 985-4923

Duplicate payment notices and all other correspondences to:

American General Life Insurance Company of New York
c/o American General Corporation
Attn: Investment Research Department, A37-01
P.O. Box 3247
Houston, Texas 77253-3247

Overnight Mail Address: 2929 Allen Parkway
Houston, TX 77019-2155

Facsimile Number: (713) 831-1366

Tax I.D. Number: 13-1853201

AID ASSOCIATION FOR LUTHERANS

Commitment
\$24,000,000.00

All payments to be by wire transfer of immediately available funds, with sufficient information (including issuer, PPN #, interest rate, maturity date, interest amount, principal amount and premium amount, if applicable) to identify the source and application of such funds, to:

Harris Trust and Savings Bank, Chicago
ABA #071 000 288
A/C #109-211-3
Attn: Trust Collection/P&I
Ref: Aid Association for Lutherans
Account No. 21-05893
Security Description
CUSIP (if applicable)
Payable Date
Principal & Interest breakdown
Interest rate for variable rate

Payment notices to:

Aid Association for Lutherans
Attention: Investment Accounting
4321 North Ballard Road
Appleton, WI 54919

AND

Harris Trust and Savings Bank
Institutional Custody - 5E
111 West Monroe Street
Chicago, IL 60690-0755

All other communications and notices to:

Aid Association for Lutherans
Attention: Investment Department
4321 North Ballard Road
Appleton, WI 54919

Send Securities to:

Ms. Polly Jozefczyk
Investment Manager Services 190/6
Harris Trust and Savings Bank
111 West Monroe Street
Chicago, IL 60690

Tax I.D. No. 39-0123480

	<u>Commitment</u>
THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY	\$18,000,000.00

All payments to be by wire transfer of immediately available funds, with sufficient information (including issuer, PPN #, interest rate, maturity date, interest amount, principal amount and premium amount, if applicable) to identify the source and application of such funds, to:

Bankers Trust Company
16 Wall Street
Insurance Unit - 4th Floor
New York, NY 10005
ABA #021-001-033

For the account of:

The Northwestern Mutual Life Insurance Company
Account No. 00-000-027

Payment notices to:

The Northwestern Mutual Life Insurance Company
720 East Wisconsin Avenue
Milwaukee, WI 53202
Attn: Treasurer's Department/Securities Operations
Fax Number: (414) 299-5714

All other communications and notices to:

The Northwestern Mutual Life Insurance Company
720 East Wisconsin Avenue
Milwaukee, WI 53202
Attention: Securities Department
Fax Number: (414) 299-7124

Tax Identification Number 39-0509570

Notes are to be registered in the name of, and documents will be signed by, The Northwestern Mutual Life Insurance Company. Please deliver signature pages, notes and final documents to:

The Northwestern Mutual Life Insurance Company
720 East Wisconsin Avenue
Milwaukee, WI 53202
Attention: Beth M. Berger
Fax Number: (414) 299-7016

UNITED OF OMAHA LIFE INSURANCE COMPANY

Commitment
\$13,000,000.00

All payments to be by wire transfer of immediately available funds, with sufficient information (including issuer, PPN #, interest rate, maturity date, interest amount, principal amount and premium amount, if applicable) to identify the source and application of such funds, to:

First Bank, N.A.
ABA #1040-0002-9
17th & Farnam Streets
Omaha, NE

For credit to:

United of Omaha Life Insurance Company
Account #1-487-1447-0769
For payment on: _____

Interest Amount: _____
Principal Amount: _____

Payment notices to:

United of Omaha Life Insurance Company
Attention: Investments/Securities Accounting
Mutual of Omaha Plaza
Omaha, NE 68175

All other communications and notices to:

United of Omaha Life Insurance Company
Attention: Investment Division
Mutual of Omaha Plaza
Omaha, NE 68175

Address for delivery of securities:

United of Omaha Life Insurance Company
Attention: Investments/Securities Accounting
Mutual of Omaha Plaza
Omaha, NE 68175

Tax I.D. Number: 47-0322111

THE MUTUAL LIFE INSURANCE COMPANY OF NEW YORK

Commitment
\$5,000,000.00

All payments to be by wire transfer of immediately available funds, with sufficient information (including issuer, PPN #, interest rate, maturity date, interest amount, principal amount and premium amount, if applicable) to identify the source and application of such funds, to:

ABA#021000128

Chemical Bank

for credit to The Mutual Life Insurance Company of New York's
Security Remittance Account No. 321-023803

Payment notices to:

Glenpointe Marketing & Operations Center - MONY
Glenpointe Center West
500 Frank W. Burr Boulevard
Teaneck, New Jersey 07666-6888
Attention: Securities Custody

Telephone Number: (201) 907-6979

All other communications and notices to:

The Mutual Life Insurance Company of New York
1740 Broadway
New York, New York 10019
Attn: MONY Capital Management Unit

Tax I.D. Number: 13-1632487

THE MUTUAL LIFE INSURANCE COMPANY OF NEW YORK

Commitment
\$1,000,000.00

All payments to be by wire transfer of immediately available funds, with sufficient information (including issuer, PPN #, interest rate, maturity date, interest amount, principal amount and premium amount, if applicable) to identify the source and application of such funds, to:

ABA#021000128

Chemical Bank

for credit to The Mutual Life Insurance Company of New York,
Account No. 323-161235

Payment notices to:

Glenpointe Marketing & Operations Center - MONY
Glenpointe Center West
500 Frank W. Burr Boulevard
Teaneck, New Jersey 07666-6888
Attention: Securities Custody

Telephone Number: (201) 907-6979

All other communications and notices to:

The Mutual Life Insurance Company of New York
1740 Broadway
New York, New York 10019
Attn: MONY Capital Management Unit

Tax I.D. Number: 13-1632487

MONY LIFE INSURANCE COMPANY OF AMERICA

Commitment
\$3,000,000.00

All payments to be by wire transfer of immediately available funds, with sufficient information (including issuer, PPN #, interest rate, maturity date, interest amount, principal amount and premium amount, if applicable) to identify the source and application of such funds, to:

ABA #021000128

Chemical Bank

for credit to MONY Life Insurance Company of America, Account
No. 323-161243

Payment notices to:

Glenpointe Marketing & Operations Center - MONY
Glenpointe Center West
500 Frank W. Burr Boulevard
Teaneck, New Jersey 07666-6888
Attention: Securities Custody

Telephone Number: (201) 907-6979

All other communications and notices to:

MONY Life Insurance Company of America
c/o The Mutual Life Insurance Company of New York
1740 Broadway
New York, New York 10019
Attn: MONY Capital Management Unit

Tax I.D. Number: 86-0222062

KNIGHTS OF COLUMBUS

Commitment
\$8,000,000.00

All payments to be by wire transfer of immediately available funds, with sufficient information (including issuer, PPN #, interest rate, maturity date, interest amount, principal amount and premium amount, if applicable) to identify the source and application of such funds, to:

ABA#21000238
Morgan Guaranty Trust Company of New York
60 Wall Street
New York, New York 10260
Re: Knights of Columbus Receipts Account No. 001-02-667

Payment notices to:

Knights of Columbus
P.O. Box 2016
New Haven, Connecticut 06521-2016
Attn: Accounting Department

Telephone Number: (203) 772-2130
Facsimile Number: (203) 772-0037

All other communications and notices to:

Knights of Columbus
1 Columbus Plaza
New Haven, Connecticut 06510-3326
Attn: Investment Department

Telephone Number: (203) 772-2130
Facsimile Number: (203) 772-0037

Tax I.D. Number: 06-0416470

LUTHERAN BROTHERHOOD

Commitment
\$6,000,000.00

All payments to be by wire transfer of immediately available funds, with sufficient information (including issuer, PPN #, interest rate, maturity date, interest amount, principal amount and premium amount, if applicable) to identify the source and application of such funds, to:

Norwest Bank Minnesota, N.A.
ABA: 091000019
Trust Clearing Account #08-40-245
Attention: Miscellaneous Desk

For Credit to Account Number: 12651300

Account Name: Lutheran Brotherhood

All communications and notices to:

Lutheran Brotherhood
625 Fourth Avenue South
Minneapolis, Minnesota 55415

Fax Number: (612) 340-6497

Tax Identification Number: 41-0385700

THE CATHOLIC AID ASSOCIATION

Commitment
\$1,000,000.00

All payments to be by wire transfer of immediately available funds, with sufficient information (including issuer, PPN #, interest rate, maturity date, interest amount, principal amount and premium amount, if applicable) to identify the source and application of such funds, to:

First Bank, N.A.
Minneapolis, MN
ABA #091-000-022

For credit to:

First Trust, N.A.
Account Number: 180121167365, TSU: 050

For further credit to:

Catholic Aid Association (The)
Account Number: 12614950
Attn: Peggy Sime (612) 244-0647

All communications and notices to:

Catholic Aid Association (The)
c/o MIMLIC Asset Management Company
400 Robert Street North
St. Paul, MN 55101
Attn: Client Administrator

Tax I.D. Number: 41-0182070

The Notes being purchased for The Catholic Aid Association should be registered in the nominee name of "Var & Co.". The Notes should be forwarded to the following address:

First Trust, N.A.
180 East Fifth Street
St. Paul, MN 55164-0190
Attn: Mike Purcell (SPFT 0406)

GUARANTEE RESERVE LIFE INSURANCE COMPANY

Commitment
\$500,000.00

All payments to be by wire transfer of immediately available funds, with sufficient information (including issuer, PPN #, interest rate, maturity date, interest amount, principal amount and premium amount, if applicable) to identify the source and application of such funds, to:

Mercantile National Bank of Indiana
Hammond, IN
ABA #071-912-813

For credit to:

Guarantee Reserve Life Insurance Company
Attn: Trust Department, Geneva DeVine
Account Number: 287000

All communications and notices to:

Guarantee Reserve Life Insurance Company
c/o MIMLIC Asset Management Company
400 Robert Street North
St. Paul, MN 55101
Attn: Client Administrator

The Notes being purchased for Guarantee Reserve Life Insurance Company should be registered in the nominee name of "Gant & Co.". The Notes should be forwarded to the following address:

Mercantile National Bank of Indiana
Ref: Guarantee Reserve Life Insurance Company
5243 Hohman Avenue
Hammond, IN 46320

PROTECTED HOME MUTUAL LIFE INSURANCE COMPANY

Commitment
\$500,000.00

All payments to be by wire transfer of immediately available funds, with sufficient information (including issuer, PPN #, interest rate, maturity date, interest amount, principal amount and premium amount, if applicable) to identify the source and application of such funds, to:

ABA No. 043-000-096
PNC Bank - Trust Acct. #6054918631
Attn: Penny Hopkins

All communications and notices to:

Protected Home Mutual Life Insurance Company
c/o MIMLIC Asset Management Company
400 Robert Street North
St. Paul, MN 55101
Attn: Client Administrator

The Notes being purchased for Protected Home Mutual Life Insurance Company should be registered in the name of "PNC Bank, Custodian under Agreement with Protected Home Mutual Life Insurance Company". The Certificate (EXCEPT Commercial Paper) should be forwarded to the following address:

Bankers Trust Company
16 Wall Street
4th floor, Window 44
Ref. A/C PNC Bank A/C #011001

Commercial Paper
Bankers Trust Company
16 Wall Street
4th Floor, Window 43
Ref. A/C PNC Bank A/C #011001

SCHEDULE II TO LEASE INTENDED AS SECURITY
DATED AS OF MAY 31, 1996
(CARGILL, INCORPORATED)

Description of Units.

1. New Vegetable Oil Cars.

(a) Specialty rail nominal capacity 25,500 gallon vegetable oil tank cars manufactured by Trinity Industries, Inc., 7/16" carbon steel construction, insulated exterior heating coils, as follows:

CRGX 7890 - 8089 (inclusive)
CRGX 8090 - 8239 (inclusive)
CRGX 8240 - 8309 (inclusive)
CRGX 8310 - 8314 (inclusive)
CRGX 8315 - 8339 (inclusive)
CRGX 8340 - 8409 (inclusive)
CRGX 8540 - 8569 (inclusive)

(b) Specialty rail nominal capacity 29,000 gallon vegetable oil tank cars manufactured by Trinity Industries, Inc., 7/16" carbon steel construction, insulated exterior heating coils, as follows:

CRGX 29001 - 29130 (inclusive)

2. Soybean Meal Cars. General service nominal capacity 5,500 cubic feet covered hopper cars with quadruple compartment (hopper) construction manufactured by Trinity Industries, Inc., as follows:

SAMX 11236 - 11277 (inclusive)
SAMX 11279 - 11405 (inclusive)

3. Corn Syrup Cars.

(a) General service corn syrup, 17,500 gallon tank cars, manufactured by Trinity Industries, Inc., 7/16" carbon steel construction, food grade linings, insulated exterior heating coils, as follows:

CRGX 6552 - 6580 (inclusive)
CRGX 6582 - 6751 (inclusive)

(b) General service corn syrup, 19,000 gallon tank cars, manufactured by Union Tank Car Company, 7/16" carbon steel construction, food grade linings, insulated exterior heating coils, as follows:

CRGX 19201 - 19266 (inclusive)
CRGX 19267 - 19350 (inclusive)*'

(c) General service corn syrup, 19,000 gallon tank cars, manufactured by Trinity Industries, Inc., 7/16" carbon steel construction, food grade linings, insulated exterior heating coils, as follows:

CRGX 19001 - 19200 (inclusive)
CRGX 19351 - 19468 (inclusive)

4. Tallow Cars. Specialty rail nominal capacity 25,500 gallon vegetable oil tank cars manufactured by Trinity Industries, Inc., 7/16" carbon steel construction, insulated exterior heating coils, as follows:

CRGX 16155 - 16179 (inclusive)

5. Gondola Cars. 109-ton welded construction, all steel fixed end Gondola with steel floor cars, manufactured by Trinity Industries, Inc., as follows:

NSTX 101 - 230 (inclusive)

6. Flour Cars. Design number Powr-Flo. 1, nominal capacity 5,150 cubic feet, manufactured by Trinity Industries, Inc., cast aluminum hatch covers with Cam Latches, 7 stainless steel loading hatches, FDA approved lining, as follows:

CFMX 2045 - 2104 (inclusive)

*' The Purchase Price of Corn Syrup Cars is to be funded into the Escrow Account.

EXHIBIT A TO LEASE INTENDED
AS SECURITY DATED AS OF MAY 31, 1996
(CARGILL, INCORPORATED)

FORM OF
BILL OF SALE

CARGILL, INCORPORATED, a Delaware corporation ("Seller"), is the owner of the items (together with all repairs, parts, supplies, accessories, equipment and devices affixed thereto or installed thereon, and all warranties, covenants and representations of any manufacturer or vendor thereof, the "Units") of personal property described on Annex A hereto;

Seller sells, grants, conveys, transfers and assigns title to the Units to NORWEST BANK MINNESOTA, NATIONAL ASSOCIATION, not in its individual capacity but solely as Agent (as such Agent, "Buyer") under that certain Lease Intended as Security, dated as of May 31, 1996, among Seller, Buyer, and certain institutions listed on Schedule I thereto; and

Seller warrants to Buyer, its successors and assigns that there is conveyed to Buyer good title to the Units, free and clear of all liens, claims, rights or encumbrances of others (except the rights of Seller pursuant to the Lease Intended as Security), and Seller will warrant and defend such title forever against all claims and demands whatsoever.

THIS BILL OF SALE shall be governed by the internal laws of the State of New York, without regard to conflict of law principles.

IN WITNESS WHEREOF, Seller has caused this Bill of Sale to be executed and delivered by one of its duly authorized officers this 31st day of May, 1996.

CARGILL, INCORPORATED

By: _____

Name Printed: _____

Title: _____

ANNEX A

Description of Units.

1. New Vegetable Oil Cars.

(a) Specialty rail nominal capacity 25,500 gallon vegetable oil tank cars manufactured by Trinity Industries, Inc., 7/16" carbon steel construction, insulated exterior heating coils, as follows:

CRGX 7890 - 8089 (inclusive)
CRGX 8090 - 8239 (inclusive)
CRGX 8240 - 8309 (inclusive)
CRGX 8310 - 8314 (inclusive)
CRGX 8315 - 8339 (inclusive)
CRGX 8340 - 8409 (inclusive)
CRGX 8540 - 8569 (inclusive)

(b) Specialty rail nominal capacity 29,000 gallon vegetable oil tank cars manufactured by Trinity Industries, Inc., 7/16" carbon steel construction, insulated exterior heating coils, as follows:

CRGX 29001 - 29130 (inclusive)

2. Soybean Meal Cars. General service nominal capacity 5,500 cubic feet covered hopper cars with quadruple compartment (hopper) construction manufactured by Trinity Industries, Inc., as follows:

SAMX 11236 - 11277 (inclusive)
SAMX 11279 - 11405 (inclusive)

3. Corn Syrup Cars.

(a) General service corn syrup, 17,500 gallon tank cars, manufactured by Trinity Industries, Inc., 7/16" carbon steel construction, food grade linings, insulated exterior heating coils, as follows:

CRGX 6552 - 6580 (inclusive)
CRGX 6582 - 6751 (inclusive)

(c) General service corn syrup, 19,000 gallon tank cars, manufactured by Union Tank Car Company, 7/16" carbon steel construction, food grade linings, insulated exterior heating coils, as follows:

CRGX 19201 - 19266 (inclusive)

(c) General service corn syrup, 19,000 gallon tank cars, manufactured by Trinity Industries, Inc., 7/16" carbon steel construction, food grade linings, insulated exterior heating coils, as follows:

CRGX 19001 - 19200 (inclusive)
CRGX 19351 - 19468 (inclusive)

4. Tallow Cars. Specialty rail nominal capacity 25,500 gallon vegetable oil tank cars manufactured by Trinity Industries, Inc., 7/16" carbon steel construction, insulated exterior heating coils, as follows:

CRGX 16155 - 16179 (inclusive)

5. Gondola Cars. 109-ton welded construction, all steel fixed end Gondola with steel floor cars, manufactured by Trinity Industries, Inc., as follows:

NSTX 101 - 230 (inclusive)

6. Flour Cars. Design number Powr-Flo. 1, nominal capacity 5,150 cubic feet, manufactured by Trinity Industries, Inc., cast aluminum hatch covers with Cam Latches, 7 stainless steel loading hatches, FDA approved lining, as follows:

CFMX 2045 - 2104 (inclusive)

EXHIBIT B TO LEASE INTENDED
AS SECURITY DATED AS OF MAY 31, 1996
(CARGILL, INCORPORATED)

FORM OF

LIS SUPPLEMENT

COUNTERPART NO. ____ OF ____ SERIALY NUMBERED MANUALLY EXECUTED COUNTERPARTS. TO THE EXTENT THAT THIS DOCUMENT CONSTITUTES CHATTEL PAPER UNDER THE UNIFORM COMMERCIAL CODE, NO SECURITY INTEREST IN THIS DOCUMENT MAY BE CREATED THROUGH THE TRANSFER AND POSSESSION OF ANY COUNTERPART OTHER THAN COUNTERPART NO. 1.

LIS SUPPLEMENT (Group ____) dated _____, 199__ (this "Lease Supplement") among CARGILL, INCORPORATED, a Delaware corporation ("Obligor") and NORWEST BANK MINNESOTA, NATIONAL ASSOCIATION, a national banking association ("Agent"), not in its individual capacity, but solely in its capacity as Agent, for the benefit of the obligees that are parties to the LIS (as defined below) ("Obligees");

W I T N E S S E T H :

WHEREAS, Obligor, Obligees, and Agent have heretofore entered into that certain Lease Intended as Security dated as of May 31, 1996 (the "LIS"; unless otherwise defined herein, capitalized terms used herein shall have the meanings specified in the LIS); and

WHEREAS, the LIS provides for the execution and delivery of a separate Lease Supplement on the Delivery Date for each of the Group A Units, the Group B Units, the Group C Units and the Group D Units, in each case substantially in the form hereof, for the purpose of confirming the acceptance and lease of such Units, specifying the Basic Payments, Applicable Percentage and Supplement Balance applicable to such Units and setting forth certain other matters, all as required pursuant to the LIS;

NOW, THEREFORE, in consideration of the premises and other good and sufficient consideration, Agent, Obligees and Obligor hereby agree as follows:

1. Inspection and Approval. Obligor hereby acknowledges and confirms that it has inspected, received and approved the Units set forth on Schedule I hereto for all purposes of the LIS and the other Operative Documents and, as between the Obligees and Obligor, such Units comply in all material respects with the specifications for such Units and are in good working order, repair, condition and appearance. Obligor hereby certifies that it has no knowledge of any defect in any of the Units set forth on Schedule I with respect to design, manufacture, condition (reasonable wear and tear

excepted) or in any other respect. Obligor reaffirms, as to the Units set forth in Schedule I, each of the waivers, acknowledgments and agreements of Obligor set forth in Section 2.7 of the LIS.

2. Delivery and Acceptance. The Obligees hereby confirm delivery and lease to Obligor, and Obligor hereby confirms acceptance of delivery and lease from the Obligees, under the LIS as hereby supplemented, of the Units listed on Schedule I hereto.

3. Warranty. Obligor hereby represents and warrants that to the best knowledge of its Responsible Officers, no event which would constitute a Casualty under the LIS has occurred with respect to any of the Units set forth on Schedule I hereto as of the date hereof. Obligor hereby reaffirms each of the representations and warranties set forth in Section 12.1 of the LIS as if made on the date hereof, including that each of the Units set forth on Schedule I hereto are free and clear of all Liens other than Permitted Liens.

4. Term, Applicable Percentages and Basic Payments. The term of this LIS Supplement shall commence on the date hereof and end on the Termination Date. The Applicable Percentages, the amount of Basic Payments due and payable on each Payment Date and the Supplement Balance on the Delivery Date and as of the end of each Renewal Term shall be as indicated in the appropriate portions of Schedule II hereto.

5. Payment of Vendors. Obligor hereby represents and warrants that on or prior to the Delivery Date, it has paid each vendor of the Units set forth on Schedule I hereto in full.

6. Confirmation. Obligor hereby confirms its agreement, in accordance with the LIS, as supplemented by this LIS Supplement, to pay Basic Payments to Agent, for the benefit of the Obligees, for each Unit subject hereto. Nothing herein shall reduce Obligor's obligation to make all other payments required under the LIS, including those payments to be made on the last day of the LIS Term with respect to the Units described on Schedule I hereto pursuant to Article XI of the LIS.

7. Incorporation into Lease. This LIS Supplement shall be construed in connection with and as part of the LIS, and all terms, conditions and covenants contained in the LIS, as supplemented by this LIS Supplement, shall be and remain in full force and effect and shall govern the Units described on Schedule I hereto.

8. References. Any and all notices, requests, certificates and other instruments executed and delivered concurrently with or after the execution and delivery of this LIS Supplement may refer to the "Lease Intended as Security, dated as of May 31, 1996", or may identify the LIS in any other respect without making specific

reference to this LIS Supplement, but nevertheless all such references shall be deemed to include this LIS Supplement, unless the context shall otherwise require.

9. Counterparts. This LIS Supplement has been executed in several numbered counterparts. Only the counterpart designated as counterpart "No. 1" shall evidence a monetary obligation of Obligor or shall be deemed to be chattel paper for purposes of the Uniform Commercial Code, and such copy shall be held by Agent.

10. GOVERNING LAW. THIS LEASE SUPPLEMENT SHALL BE GOVERNED BY AND CONSTRUED UNDER THE INTERNAL LAWS OF NEW YORK WITHOUT REGARD TO CONFLICT OF LAW PRINCIPLES.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this LIS Supplement to be duly executed and delivered on the day and year first above written.

NORWEST BANK MINNESOTA
not individually, but
solely as Agent for the Obligees

By _____
Name: _____
Title: _____

CARGILL, INCORPORATED,
as Obligor

By _____
Name: _____
Title: _____

SCHEDULE I
TO LIS SUPPLEMENT
(GROUP A)

Description of Units

1. New Vegetable Oil Cars.

(a) Specialty rail nominal capacity 25,500 gallon vegetable oil tank cars manufactured by Trinity Industries, Inc., 7/16" carbon steel construction, insulated exterior heating coils, as follows:

CRGX 7890 - 8089 (inclusive)
CRGX 8090 - 8239 (inclusive)
CRGX 8240 - 8309 (inclusive)
CRGX 8310 - 8314 (inclusive)
CRGX 8315 - 8339 (inclusive)
CRGX 8340 - 8409 (inclusive)
CRGX 8540 - 8569 (inclusive)

(b) Specialty rail nominal capacity 29,000 gallon vegetable oil tank cars manufactured by Trinity Industries, Inc., 7/16" carbon steel construction, insulated exterior heating coils, as follows:

CRGX 29001 - 29130 (inclusive)

Purchase Price: \$ 41,034,059

2. Tallow Cars. Specialty rail nominal capacity 25,500 gallon vegetable oil tank cars manufactured by Trinity Industries, Inc., 7/16" carbon steel construction, insulated exterior heating coils, as follows:

CRGX 16155 - 16179 (inclusive)

Purchase Price: \$ 1,404,929

SCHEDULE II
TO LIS SUPPLEMENT
(GROUP A)

"Applicable Percentage" shall mean, with respect to the end of the Base Term and each Renewal Term, the percentage set forth below opposite each such date:

<u>End of</u>	<u>Applicable Percentage</u>
---------------	------------------------------

Base Term
First Renewal Term
Second Renewal Term
Third Renewal Term
Fourth Renewal Term
Fifth Renewal Term
Sixth Renewal Term
Seventh Renewal Term
Eighth Renewal Term
Ninth Renewal Term
Tenth Renewal Term
Eleventh Renewal Term
Twelfth Renewal Term
Thirteenth Renewal Term
Fourteenth Renewal Term
Fifteenth Renewal Term
Sixteenth Renewal Term
Seventeenth Renewal Term
Eighteenth Renewal Term
Nineteenth Renewal Term

<u>Payment Date</u>	<u>Basic Payments</u>	<u>Supplement Balance</u>
---------------------	-----------------------	---------------------------

1	\$	\$
2	\$	\$
3	\$	\$
4	\$	\$
5	\$	\$
6	\$	\$
7	\$	\$
8	\$	\$
9	\$	\$
10	\$	\$
11	\$	\$
12	\$	\$
13	\$	\$
14	\$	\$

\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$

SCHEDULE III
TO LIS SUPPLEMENT
(GROUP A)

Appraised Value

With respect to each New Vegetable Oil Car:

<u>Date</u>	<u>Value</u>
Fair Market Value	
on the Delivery Date	\$
End of Base Term	\$
End of First Renewal Term	\$
End of Second Renewal Term	\$
End of Third Renewal Term	\$
End of Fourth Renewal Term	\$
End of Fifth Renewal Term	\$
End of Sixth Renewal Term	\$
End of Seventh Renewal Term	\$
End of Eighth Renewal Term	\$
End of Ninth Renewal Term	\$
End of Tenth Renewal Term	\$
End of Eleventh Renewal Term	\$
End of Twelfth Renewal Term	\$
End of Thirteenth Renewal Term	\$
End of Fourteenth Renewal Term	\$
End of Fifteenth Renewal Term	\$
End of Sixteenth Renewal Term	\$
End of Seventeenth Renewal Term	\$
End of Eighteenth Renewal Term	\$
End of Nineteenth Renewal Term	\$

With respect to each Tallow Car:

<u>Date</u>	<u>Value</u>
Fair Market Value	
on the Delivery Date	\$
End of Base Term	\$
End of First Renewal Term	\$
End of Second Renewal Term	\$
End of Third Renewal Term	\$
End of Fourth Renewal Term	\$
End of Fifth Renewal Term	\$
End of Sixth Renewal Term	\$
End of Seventh Renewal Term	\$
End of Eighth Renewal Term	\$
End of Ninth Renewal Term	\$
End of Tenth Renewal Term	\$
End of Eleventh Renewal Term	\$

End of Twelfth Renewal Term	\$
End of Thirteenth Renewal Term	\$
End of Fourteenth Renewal Term	\$
End of Fifteenth Renewal Term	\$
End of Sixteenth Renewal Term	\$
End of Seventeenth Renewal Term	\$
End of Eighteenth Renewal Term	\$
End of Nineteenth Renewal Term	\$

SCHEDULE I
TO LIS SUPPLEMENT
(GROUP B)

Description of Units

1. Corn Syrup Cars.

(a) General service corn syrup, 17,500 gallon tank cars, manufactured by Trinity Industries, Inc., 7/16" carbon steel construction, food grade linings, insulated exterior heating coils, as follows:

CRGX 6552 - 6580 (inclusive)
CRGX 6582 - 6751 (inclusive)

(b) General service corn syrup, 19,000 gallon tank cars, manufactured by Union Tank Car Company, 7/16" carbon steel construction, food grade linings, insulated exterior heating coils, as follows:

CRGX 19201 - 19350 (inclusive)

(c) General service corn syrup, 19,000 gallon tank cars, manufactured by Trinity Industries, Inc., 7/16" carbon steel construction, food grade linings, insulated exterior heating coils, as follows:

CRGX 19001 - 19200 (inclusive)
CRGX 19351 - 19468 (inclusive)

Purchase Price: \$ 42,151,496

2. Flour Cars. Design number Powr-Flo. 1, nominal capacity 5,150 cubic feet, manufactured by Trinity Industries, Inc., cast aluminum hatch covers with Cam Latches, 7 stainless steel loading hatches, FDA approved lining, as follows:

CFMX 2045 - 2104 (inclusive)

Purchase Price: \$ 4,611,829

SCHEDULE II
TO LIS SUPPLEMENT
(GROUP B)

"Applicable Percentage" shall mean, with respect to the end of the Base Term and each Renewal Term, the percentage set forth below opposite each such date:

<u>End of</u>	<u>Applicable Percentage</u>
---------------	------------------------------

Base Term
First Renewal Term
Second Renewal Term
Third Renewal Term
Fourth Renewal Term
Fifth Renewal Term
Sixth Renewal Term
Seventh Renewal Term
Eighth Renewal Term
Ninth Renewal Term
Tenth Renewal Term
Eleventh Renewal Term
Twelfth Renewal Term
Thirteenth Renewal Term
Fourteenth Renewal Term

<u>Payment Date</u>	<u>Basic Payments</u>	<u>Supplement Balance</u>
1	\$	\$
2	\$	\$
3	\$	\$
4	\$	\$
5	\$	\$
6	\$	\$
7	\$	\$
8	\$	\$
9	\$	\$
10	\$	\$
11	\$	\$
12	\$	\$
13	\$	\$
14	\$	\$
15	\$	\$
16	\$	\$

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SCHEDULE III
TO LIS SUPPLEMENT
(GROUP B)

Appraised Value

With respect to each Corn Syrup Car:

<u>Date</u>	<u>Value</u>
Fair Market Value	
on the Delivery Date	\$
End of Base Term	\$
End of First Renewal Term	\$
End of Second Renewal Term	\$
End of Third Renewal Term	\$
End of Fourth Renewal Term	\$
End of Fifth Renewal Term	\$
End of Sixth Renewal Term	\$
End of Seventh Renewal Term	\$
End of Eighth Renewal Term	\$
End of Ninth Renewal Term	\$
End of Tenth Renewal Term	\$
End of Eleventh Renewal Term	\$
End of Twelfth Renewal Term	\$
End of Thirteenth Renewal Term	\$
End of Fourteenth Renewal Term	\$

With respect to each Tallow Car:

<u>Date</u>	<u>Value</u>
Fair Market Value	
on the Delivery Date	\$
End of Base Term	\$
End of First Renewal Term	\$
End of Second Renewal Term	\$
End of Third Renewal Term	\$
End of Fourth Renewal Term	\$
End of Fifth Renewal Term	\$
End of Sixth Renewal Term	\$
End of Seventh Renewal Term	\$
End of Eighth Renewal Term	\$
End of Ninth Renewal Term	\$
End of Tenth Renewal Term	\$
End of Eleventh Renewal Term	\$
End of Twelfth Renewal Term	\$
End of Thirteenth Renewal Term	\$
End of Fourteenth Renewal Term	\$

SCHEDULE I
TO LIS SUPPLEMENT
(GROUP C)

Description of Units

1. Soybean Meal Cars. General service nominal capacity 5,500 cubic feet covered hopper cars with quadruple compartment (hopper) construction manufactured by Trinity Industries, Inc., as follows:

SAMX 11236 - 11277 (inclusive)

SAMX 11279 - 11405 (inclusive)

Purchase Price: \$ 7,389,789

SCHEDULE II
TO LIS SUPPLEMENT
(GROUP C)

"Applicable Percentage" shall mean, with respect to the end of the Base Term and each Renewal Term, the percentage set forth below opposite each such date:

<u>End of</u>	<u>Applicable Percentage</u>
---------------	------------------------------

Base Term
First Renewal Term
Second Renewal Term
Third Renewal Term
Fourth Renewal Term
Fifth Renewal Term
Sixth Renewal Term
Seventh Renewal Term
Eighth Renewal Term
Ninth Renewal Term
Tenth Renewal Term
Eleventh Renewal Term
Twelfth Renewal Term
Thirteenth Renewal Term
Fourteenth Renewal Term

<u>Payment Date</u>	<u>Basic Payments</u>	<u>Supplement Balance</u>
1	\$	\$
2	\$	\$
3	\$	\$
4	\$	\$
5	\$	\$
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SCHEDULE III
TO LIS SUPPLEMENT
(GROUP C)

Appraised Value

With respect to each Soybean Meal Car:

<u>Date</u>	<u>Value</u>
Fair Market Value	
on the Delivery Date	\$
End of Base Term	\$
End of First Renewal Term	\$
End of Second Renewal Term	\$
End of Third Renewal Term	\$
End of Fourth Renewal Term	\$
End of Fifth Renewal Term	\$
End of Sixth Renewal Term	\$
End of Seventh Renewal Term	\$
End of Eighth Renewal Term	\$
End of Ninth Renewal Term	\$
End of Tenth Renewal Term	\$
End of Eleventh Renewal Term	\$
End of Twelfth Renewal Term	\$
End of Thirteenth Renewal Term	\$
End of Fourteenth Renewal Term	\$

SCHEDULE I
TO LIS SUPPLEMENT
(GROUP D)

Description of Units

1. Gondola Cars. 109-ton welded construction, all steel fixed end Gondola with steel floor cars, manufactured by Trinity Industries, Inc., as follows:

NSTX 101 - 230 (inclusive)

Purchase Price: \$ 7,225,629

SCHEDULE II
TO LIS SUPPLEMENT
(GROUP D)

Aggregate Purchase Price: \$ 7,225,629

"Applicable Percentage" shall mean, with respect to the end of the Base Term and each Renewal Term, the percentage set forth below opposite each such date:

<u>End of</u>	<u>Applicable Percentage</u>
---------------	------------------------------

Base Term
First Renewal Term
Second Renewal Term
Third Renewal Term
Fourth Renewal Term
Fifth Renewal Term
Sixth Renewal Term
Seventh Renewal Term
Eighth Renewal Term
Ninth Renewal Term
Tenth Renewal Term
Eleventh Renewal Term
Twelfth Renewal Term
Thirteenth Renewal Term
Fourteenth Renewal Term

<u>Payment Date</u>	<u>Basic Payments</u>	<u>Supplement Balance</u>
1	\$	\$
2	\$	\$
3	\$	\$
4	\$	\$
5	\$	\$
6	\$	\$
7	\$	\$
8	\$	\$
9	\$	\$
10	\$	\$
11	\$	\$
12	\$	\$
13	\$	\$
14	\$	\$
15	\$	\$
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SCHEDULE III
TO LIS SUPPLEMENT
(GROUP D)

Appraised Value

With respect to each Gondola Car:

<u>Date</u>	<u>Value</u>
Fair Market Value	
on the Delivery Date	\$
End of Base Term	\$
End of First Renewal Term	\$
End of Second Renewal Term	\$
End of Third Renewal Term	\$
End of Fourth Renewal Term	\$
End of Fifth Renewal Term	\$
End of Sixth Renewal Term	\$
End of Seventh Renewal Term	\$
End of Eighth Renewal Term	\$
End of Ninth Renewal Term	\$
End of Tenth Renewal Term	\$
End of Eleventh Renewal Term	\$
End of Twelfth Renewal Term	\$
End of Thirteenth Renewal Term	\$
End of Fourteenth Renewal Term	\$

EXHIBITS C-1 AND C-2 TO LEASE INTENDED
AS SECURITY DATED AS OF MAY 31, 1996
(CARGILL, INCORPORATED)

FORMS OF LEGAL OPINIONS

CARGILL, INCORPORATED

LAW DEPARTMENT

James D. Moe
Corporate Vice President
General Counsel
& Secretary

John S. Erickson
Vice President &
Deputy
General Counsel

Ronald L. Laumbach
Vice President &
North America
General Counsel

M. Jed Hepworth
Latin America
General Counsel

Linda L. Cuder
Vice President
Assistant General Counsel
& Assistant Secretary

Mailing Address:
P.O. Box 5624
Minneapolis, MN 55440-5624

Location/Shipping Address:
16407 McGinty Road West
Wayzata, MN 55391-2399

FAX (612) 742-6349
or (612) 742-7503

May 31, 1996

Steven M. Adams
Gretchen O. Banks
Karen L. Berk
Shirley R. Boyd
Frederick L. Budd
James D. Dingel
Todd T. Erickson
Philip M. Fentle
Shella Brennan Hagan

Ronald E. Hunter
Mark J. Iversen
Joseph R. Leach
Grace Murgis Musilek
LaRoya M. Osborne
Bonnie E. Raquist
David A. Robertson
Laura Hicks White

David L. Bick
Carolyn J. Brue
Theresa A. Coors
Robert G. Gerdien
Debra L. Hovland
Robin P. Kinning
Colleen Murphy Knapp
Jay A. Kroese

Richard L. Black
Thomas W. MacLeod
Marie-Lise Reij
Randall J. Romedahl
Timothy A. Thomas
Peter A. Verbrion
Geri L. Williams

Writer's Direct Dial Number
(612) 742-5673

The Persons Listed
On Schedule I Hereto

RE: Cargill, Incorporated Lease Intended As Security

Ladies and Gentlemen:

I am an Attorney of Cargill, Incorporated, a Delaware corporation ("Obligor"). I have examined and am familiar with originals of or copies identified to my satisfaction of the Lease Intended as Security, dated as of May 31, 1996 (the "LIS"), among Obligor, Norwest Bank Minnesota, National Association, a national banking association ("Agent"), not in its individual capacity except as specifically set forth in the LIS, but solely in its capacity as Agent therein, and the Persons listed in Schedule I thereto, as obligees (individually an "Obligee" and collectively the "Obligees"; provided that no such reference shall be deemed to refer to any Person who is not a holder of a Certificate at the date of determination, other than for purposes of Article VII of the LIS), each of the other Operative Documents, and such other documents and proceedings as I have considered necessary for the purpose of rendering this opinion. In addition, I have examined and am familiar with such legal and factual matters as I have deemed necessary for the purpose of rendering this opinion. Capitalized terms used in this opinion and not otherwise defined herein shall have the respective meanings specified in Article I of the LIS. This opinion is being furnished to you at the request of Obligor pursuant to Section 3.9 of the LIS.

In rendering this opinion I have assumed: (a) the genuineness of the signatures on all documents and instruments (other than the signatures of officers of Obligor on the Operative Documents to which Obligor is a party), the authenticity of all documents submitted as originals, and the conformity to originals of all documents submitted as photostatic or certified copies; and (b) that the Operative Documents constitute the

May 31, 1996

Page 2

legal, valid and binding obligations of the respective parties thereto, if any, other than Obligor.

Based upon and subject to the foregoing, I am of the opinion that:

1. Obligor is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has full corporate power and authority to conduct its business as presently conducted, to own or hold under lease its properties, to enter into and perform its obligations under the Operative Documents to which it is a party, and is duly qualified as a foreign corporation authorized to do business and is in good standing in every other jurisdiction in which its failure to be so qualified would have a Material Adverse Effect.

2. Obligor has all requisite corporate power and authority to execute, deliver, and perform its obligations under each Operative Document to which it is a party.

3. The execution and delivery by Obligor of, the consummation by Obligor of the transactions provided for in, and the compliance by Obligor with all of the provisions of, each Operative Document to which it is a party have been duly authorized by all necessary corporate action on the part of Obligor; and neither the execution and delivery thereof, nor the consummation of the transaction contemplated thereby (including, without limitation, the operation of the Units), nor compliance by Obligor with any of the terms and provisions thereof (i) requires any approval of the stockholders of Obligor, or approval or consent of any trustee or holder of any of Obligor's indebtedness or obligations; (ii) contravenes or will contravene any Applicable Laws and Regulations currently in effect applicable to or binding upon Obligor or the Units; (iii) conflicts with, results in any breach of or constitutes any default under, or results in the creation of any Lien (other than the respective rights and interests of Obligor, Obligees or Agent as provided in the Operative Documents) upon any of Obligor's property under, (A) any indenture, mortgage, chattel mortgage, deed of trust, lease, conditional sales contract, loan or credit arrangement or other material agreement or instrument by which Obligor or any of its respective properties may be bound or by which the Units may be materially adversely affected, (B) Obligor's certificate of incorporation or (C) Obligor's by-laws; or (iv) requires or will require any Governmental Action to perfect the right of Obligees and Agent intended to be created by the Operative Documents (except for the filing of the LIS with the STB and the filing of the UCC financing statements).

4. Each Operative Document to which Obligor is a party has been duly executed and delivered by Obligor and constitutes its legal, valid and binding obligation, enforceable against Obligor in accordance with its terms, except as such enforceability

May 31, 1996

Page 3

may be limited by applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally and by general equitable principles.

5. There is no action, proceeding or investigation pending or, to the best of my knowledge, threatened which questions the validity of the Operative Documents to which Obligor is a party or any action taken or to be taken pursuant thereto; nor is any action, proceeding or investigation pending or, to the best of my knowledge, threatened which, if decided adversely to Obligor, would result, either in any case or in the aggregate, in a Material Adverse Effect.

6. No authorization, consent, approval, license or formal exemption from, nor any filing, declaration or registration with, any Authority or non-governmental Person (other than approval of the Executive Committee of the Board of Directors of Obligor which has been obtained prior to the date hereof) is or will be required in connection with the execution and delivery by Obligor of the Operative Documents, or the performance by Obligor of its obligations under such Operative Documents or the title to, operation and maintenance of the Units as contemplated by the Operative Documents (except for the filing of the LIS with the STB and the filing of the UCC financing statements).

7. Obligor is not an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended. The proceeds of the sale of the Units and the issuance of the Certificates, if used in accordance with the terms of the Operative Documents, will not result in a violation of Regulation G, T, U or X of the Board of Governors of the Federal Reserve System.

8. Obligor is not subject to regulation as a "holding company," an "affiliate" of a "holding company," or a "subsidiary company" of a "holding company," within the meaning of the Public Utility Holding Company Act of 1935, as amended.

9. The registration of the Certificates or the interests of the Obligees under the Securities Act of 1933, as amended, is not required under the circumstances contemplated by the LIS.

10. The Bill of Sale is in form sufficient to convey valid title to the property described therein to Agent.

11. The LIS and other Operative Documents create valid security interests under the UCC in favor of the Agent for the benefit of the Obligees, in all of Obligor's right, title

May 31, 1996

Page 4

and interest in and to the Collateral other than the Units, as security for payment of Obligor's obligations under the LIS.

12. Each UCC financing statement is in proper form for filing, and upon the filing of such financing statements with the Secretary of State in Minnesota and Hennepin County, Minnesota, the security interest of Agent, on behalf of the Obligees, in all the Collateral other than the Units will be perfected to the extent that a security interest in such Collateral may be perfected by so filing, and the description of such Collateral therein is adequate. No other filing, recordation or registration is necessary in order to perfect Agent's security interest in such Collateral.

13. The terms of the LIS are sufficient to create a valid security interest in the Escrow Account, and in all investments made by Agent pursuant to Section 2.10 of the LIS. The Agent's security interest in the Escrow Account, to the extent the same constitutes a deposit account, will have priority over the interests of (i) a creditor that obtains a subsequent judicial lien on the assets of Obligor, or obtains a subsequent execution against Obligor that is returned unsatisfied, (ii) any creditor to which Obligor grants a consensual security interest in the Escrow Account after the date of the LIS, except to the extent the Agent agrees to give such creditor the right to make withdrawals from the Escrow Account and (iii) a trustee appointed under the United States Bankruptcy Code as a hypothetical lien creditor pursuant to Section 544(a) of the United States Bankruptcy Code. The security interest of Agent, on behalf of Obligees, created under the terms of the Agreement in book entry securities issued by the United States Treasury deemed to be certificated securities under the applicable regulations of the United States of America and held in the Escrow Account will be perfected if such book-entry securities are maintained by and in the name of the Agent in an account maintained with The Federal Reserve Bank of Minneapolis containing only customer securities, assuming that the entries on the books of The Federal Reserve Bank of Minneapolis and the Agent are complete and accurate in all respects.

14. Except for statutory filing and recording fees payable in connection with the registration of the Units or the filing of any lien on the Units, no state or local recording tax, transfer tax, stamp tax or other fee, tax or governmental charge is required to be paid by Obligor, Agent or any Obligee to any taxing authority in connection with the execution, delivery, filing or recording of any of the Operative Documents, nor will Obligor, Agent or any Obligee be required to collect or withhold any such fee, tax or governmental charge.

15. The choice of law provision in each of the Operative Documents is valid and enforceable under the laws of the State of Minnesota.

May 31, 1996

Page 5

I am a member of the Bar of the State of Minnesota, and the foregoing opinions do not express conclusions as to the laws of any jurisdiction other than the laws of the State of Minnesota and the United States of America, and the General Corporation Law of the State of Delaware. The LIS states that it is governed by New York law and I am not rendering my opinion with respect to New York law, but I have assumed, for purposes of the opinions expressed above, that the LIS is governed by the laws of the State of Minnesota.

This letter is furnished to you in my capacity as Attorney to Cargill, Incorporated and is solely for your benefit and for your counsel. This letter is not to be used, circulated, quoted or otherwise referred to for any other purpose nor relied on by any third person.

Sincerely,

A handwritten signature in cursive script, reading "Robin P. Kinning". The signature is written in dark ink and is positioned above the printed name.

Robin P. Kinning

RPK:ar
cjl/62271

EXHIBIT C-2 TO LEASE INTENDED
AS SECURITY DATED AS OF MAY 31, 1996
(Cargill, Incorporated)

[Intentionally Omitted]

EXHIBIT D TO LEASE INTENDED
AS SECURITY DATED AS OF MAY 31, 1996
(CARGILL, INCORPORATED)

FORM OF CERTIFICATE

Commitment: \$ _____
Initial Participation Percentage ____%

R- _____

Date: May 31, 1996

To: _____

This Certificate evidences the right of _____ ("Obligee"), and its registered assigns pursuant to Section 14.1 of the LIS hereinafter referred to, to receive the Basic Payments (as defined in the LIS) described on Attachment 1 attached hereto and made a part hereof, at the times set forth on Attachment 1, in the manner specified in that certain Lease Intended as Security, dated as of May 31, 1996, among Cargill, Incorporated, a Delaware corporation ("Obligor"), NORWEST BANK MINNESOTA, NATIONAL ASSOCIATION, as Agent, and certain institutions listed on Schedule I thereto, as Obligees (as from time to time amended or supplemented, the "LIS"). This Certificate also evidences that Obligee is an "Obligee" for all purposes of (and as defined in) the LIS, with all rights attendant to such status, including the benefit of the representations, warranties and covenants of Obligor under the LIS and with all obligations attendant to such status.

Any transfer of this Certificate is subject to the procedures set forth in Article XIV of the LIS.

The Obligee holding this Certificate shall be entitled to receive a portion of each Payment, LIS Balance, Supplement Balance, Administrative Charge, and interest payable by Obligor pursuant to the LIS equal to the product obtained by multiplying such payment by the Obligee's Participation Percentage.

This Certificate is one of the Certificates referred to in, and evidences obligations of the Obligor under, the LIS, to which reference is made for a statement of the terms and conditions hereof. Capitalized terms used herein without definition shall have the meanings provided in the LIS.

THIS CERTIFICATE SHALL BE GOVERNED BY, AND CONSTRUED IN
ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK,
WITHOUT REGARD TO CONFLICTS OF LAWS PROVISIONS OF SUCH STATE.

CARGILL, INCORPORATED
Obligor

By: _____
Title: _____

AGENT'S CERTIFICATE OF AUTHENTICATION

This is one of the Certificates referred to in the within-mentioned LIS.

NORWEST BANK MINNESOTA,
NATIONAL ASSOCIATION,
as Agent

By: _____
Title: _____

ATTACHMENT 1

<u>Payment Number</u>	<u>Payment Date</u>	<u>Payment Amount</u>	<u>LIS Balance</u>
---------------------------	-------------------------	---------------------------	------------------------

EXHIBIT E TO LEASE INTENDED
AS SECURITY DATED AS OF MAY 31, 1996
(CARGILL, INCORPORATED)

FORM OF
DELIVERY DATE NOTICE

May 30, 1996

TO: Agent and the Obligees, pursuant to that certain Lease Intended as Security (the "LIS"), dated as of May 31, 1996 among: Cargill, Incorporated, a Delaware corporation ("Obligor"); the Persons identified on Schedule I thereto as the "Obligees"; and Norwest Bank Minnesota, National Association, a national banking association, as agent ("Agent"; all capitalized terms used herein without definition shall have the meaning assigned to such terms in the LIS).

FROM: Obligor

REGARDING: Delivery Date

1. The Delivery Date is scheduled for May 31, 1996, at the offices of Mayer, Brown & Platt, 190 South LaSalle Street, Chicago, Illinois 60603-3441 at 9:00 a.m.
2. The Units to be acquired and accepted on such date are identified on Part A of Schedule I hereto, all of which Units were previously identified on Schedule II to the LIS. The Units, the aggregate Purchase Price of which is to be funded into the Escrow Account, are identified on Part B of Schedule I hereto, all of which Units were previously identified on Schedule II to the LIS.
3. The price to be paid for the Units by the Agent is equal to the Purchase Price, which purchase price is to be paid out of proceeds of the Funding made by the Obligees to Agent pursuant to Section 2.2 of the LIS.

The Purchase Price shall be sent by wire transfer to Agent at the account listed on Schedule II hereto.

CARGILL, INCORPORATED

By: _____
Name Printed: _____
Title: _____

SCHEDULE I
TO DELIVERY DATE NOTICE

Part A. Units to be Acquired on the Delivery Date .

1. New Vegetable Oil Cars.

(a) Specialty rail nominal capacity 25,500 gallon vegetable oil tank cars manufactured by Trinity Industries, Inc., 7/16" carbon steel construction, insulated exterior heating coils, as follows:

CRGX 7890 - 8089 (inclusive)
CRGX 8090 - 8239 (inclusive)
CRGX 8240 - 8309 (inclusive)
CRGX 8310 - 8314 (inclusive)
CRGX 8315 - 8339 (inclusive)
CRGX 8340 - 8409 (inclusive)
CRGX 8540 - 8569 (inclusive)

(b) Specialty rail nominal capacity 29,000 gallon vegetable oil tank cars manufactured by Trinity Industries, Inc., 7/16" carbon steel construction, insulated exterior heating coils, as follows:

CRGX 29001 - 29130 (inclusive)

Purchase Price per Unit:

2. Soybean Meal Cars. General service nominal capacity 5,500 cubic feet covered hopper cars with quadruple compartment (hopper) construction manufactured by Trinity Industries, Inc., as follows:

SAMX 11236 - 11277 (inclusive)
SAMX 11279 - 11405 (inclusive)

Purchase Price per Unit:

3. Corn Syrup Cars.

(a) General service corn syrup, 17,500 gallon tank cars, manufactured by Trinity Industries, Inc., 7/16" carbon steel construction, food grade linings, insulated exterior heating coils, as follows:

CRGX 6552 - 6580 (inclusive)
CRGX 6582 - 6751 (inclusive)

(c) General service corn syrup, 19,000 gallon tank cars, manufactured by Union Tank Car Company, 7/16" carbon steel construction, food grade linings, insulated exterior heating coils, as follows:

CRGX 19201 - 19266 (inclusive)

(c) General service corn syrup, 19,000 gallon tank cars, manufactured by Trinity Industries, Inc., 7/16" carbon steel construction, food grade linings, insulated exterior heating coils, as follows:

CRGX 19001 - 19200 (inclusive)

CRGX 19351 - 19468 (inclusive)

Purchase Price per Unit:

4. Tallow Cars. Specialty rail nominal capacity 25,500 gallon vegetable oil tank cars manufactured by Trinity Industries, Inc., 7/16" carbon steel construction, insulated exterior heating coils, as follows:

CRGX 16155 - 16179 (inclusive)

Purchase Price per Unit:

5. Gondola Cars. 109-ton welded construction, all steel fixed end Gondola with steel floor cars, manufactured by Trinity Industries, Inc., as follows:

NSTX 101 - 230 (inclusive)

Purchase Price per Unit:

6. Flour Cars. Design number Powr-Flo. 1, nominal capacity 5,150 cubic feet, manufactured by Trinity Industries, Inc., cast aluminum hatch covers with Cam Latches, 7 stainless steel loading hatches, FDA approved lining, as follows:

CFMX 2045 - 2104 (inclusive)

Purchase Price per Unit: \$76,863.82.

Part B. Units Funded Into Escrow Account.

General service corn syrup, 19,000 gallon tank cars, manufactured by Union Tank Car Company, 7/16" carbon steel construction, food grade linings, insulated exterior heating coils, as follows:

CRGX 19267 - 19350 (inclusive)

Aggregate Purchase Price: \$

SCHEDULE II
TO DELIVERY DATE NOTICE

Wire Instructions.

Address for wire transfers:

Bank:	Norwest Bank Minnesota, N.A.
	Minneapolis, Minnesota
ABA Routing #:	091000019
Account #:	10-38-377
Notify:	Jane Yun
Reference:	Cargill, Incorporated

EXHIBIT F-1 TO LEASE INTENDED
AS SECURITY DATED AS OF MAY 31, 1996
(CARGILL, INCORPORATED)

FORM OF
OFFICER'S CERTIFICATE

Pursuant to the Lease Intended as Security, dated as of May 31, 1996, (the "LIS"), among Cargill, Incorporated, a Delaware corporation ("Cargill"), NORWEST BANK MINNESOTA, NATIONAL ASSOCIATION, as agent, and the Persons identified as Obligees on Schedule I thereto, I, _____, _____ of Cargill, do hereby certify as follows (capitalized terms used herein without definition shall have the meanings ascribed thereto in the LIS):

The representations and warranties of Cargill contained in the LIS are true on and as of the date hereof with the same effect as if such representations and warranties had been made on and as of the date hereof; Cargill has performed all agreements on its part required to be performed under the LIS and the other Operative Documents on or prior to the date hereof; and there exists on the date hereof no Incipient Default or Event of Default.

IN WITNESS WHEREOF, I have signed my name this ____ day of May, 1996.

CARGILL, INCORPORATED

By: _____
Name: _____
Title: _____

EXHIBIT F-2 TO LEASE INTENDED
AS SECURITY DATED AS OF MAY 31, 1996
(CARGILL, INCORPORATED)

FORM OF
SECRETARY'S CERTIFICATE

THE UNDERSIGNED _____, Assistant Secretary of CARGILL, INCORPORATED ("Cargill"), pursuant to that certain Lease Intended as Security, dated as of May 31, 1996 (the "LIS"), among Cargill, NORWEST BANK MINNESOTA, NATIONAL ASSOCIATION, as agent, and the Persons listed on Schedule I thereto, does hereby certify as follows (capitalized terms used herein shall have the meanings ascribed thereto in the LIS):

1. Attached hereto as Exhibit A is a true and complete copy of Cargill's Restated Certificate of Incorporation [as amended] and in effect on the date hereof, certified by the Secretary of State of the State of Delaware.
2. No proceeding for merger, consolidation, liquidation, reorganization or dissolution of Cargill or the sale of all or substantially all of its assets is pending or contemplated.
3. The copy of the By-laws of Cargill, attached hereto as Exhibit B, is true and complete and such By-laws have been in full force and effect since August 8, 1995 without modification or amendment.
4. Attached hereto as Exhibit C are true and correct copies of all resolutions adopted by the Executive Committee of the Board of Directors of Cargill relating to the LIS and the other Operative Documents, which resolutions have not been amended or rescinded and are in full force and effect on the date hereof.
5. The form of Lease Intended as Security, attached hereto as Exhibit D, is substantially in the form approved by or pursuant to authorization by the Executive Committee of the Board of Directors of Cargill.
6. The following persons are on the date hereof duly qualified and acting officers of Cargill, duly elected or appointed to the offices set forth beside their respective names and specimen signatures, and each such person who, as an officer of Cargill, signed the LIS, the certificates representing interests in the LIS, any of the other Operative Documents or any other document delivered prior hereto or on the date hereof in connection with such agreements and documents and the transactions contemplated therein was, at the respective times of such signing and delivery and is now duly

elected or appointed, qualified and acting as such officer, and the signatures of such persons appearing on such documents are their genuine signatures:

NAME

OFFICE

SIGNATURE

IN WITNESS WHEREOF, I have signed my name this ____ day of May, 1996.

CARGILL, INCORPORATED

By: _____
Name Printed: _____
Title: Assistant Secretary

I, _____, _____
of Cargill, hereby certify that _____ is on
the date hereof the duly elected, qualified and acting Assistant
Secretary of Cargill, and that the signature set forth above is
such person's true and correct signature.

Dated: May __, 1996.

CARGILL, INCORPORATED

By: _____
Name Printed: _____
Title: _____